WARRANTIES

FROM PAGE 1

extended complete-vehicle warranties (except on certain high-line automobiles) because that might be seen as backing off from the very long-term powertrain warranties they now offer.

Officials at Mazda, Toyota and Mitsubishi said a longer warranty will help sell cars but is not a marketing tool per se.

"We have learned to build a better product," said Phil Virga, warranty manager for Mazda Motors of America (Central).

The longer warranty, he claimed, will not cost Mazda a great deal of money because of the quality of the company's vehicles.

The call for a longer warranty originated in the service and parts department, and had been under discussion for a couple of years while data was compiled, Virga said.

"We didn't wait for a marketing battle to introduce it," he said.

However, the longer warranty will influence sales, he predicted.

"The marketing people have taken advantage of it" and are aggressively advertising it. "Dealers are letting everyone know about it. If not, they would be foolish. Anything that shows you have a better product is a light in your favor," Virga said.

Mazda introduced its three-year vehicle warranty in August, and Toyota announced its new warranty in October. Both announcements coincided with new-model introductions.

"Mazda beat us (in introducing the new warranty), but it was a coincidence. We didn't introduce our warranty in response. Warranty approval is a lengthy process in Japan," said Phil Broman, corporate service manager for Toyota Motor Sales U.S.A.

"We improved our warranty because of our need to be consistent with what the customer expects from us — quality and good service," he added.

Toyota advertising, Broman said, touts quality, not the new warranty. Toyota depends mainly on word-of-mouth communication between customers and unsolicited reports in the consumer press to reinforce its reputation as a quality manufacturer, he said.

"We (auto manufacturers) are in a quality competition. We lead in quality and want to stay there, to reinforce our image with consumers," Broman said.

"We want to stress hassle-free ownership for three years. We want to hold people in our portfolio of satisfied customers that are taken care of every step of the way," he added.

Mitsubishi Motor Sales of America's three-year warranty was put into effect mainly as a reflection of competition, said Michael Impullitti, supervisor of warranty administration.

"A warranty is one selling point, not all-encompassing but a product feature. . . . If a customer is wavering between models or considering how much a vehicle is worth, a longer warranty helps make a sale," he said.

A warranty is not inexpensive, but may be needed to meet demands of customers, Impullitti said.

"Any warranty is an expensive proposition. It is a sign of the times; as cars get more complicated and expensive, customers want to be better protected," he said.

Longer warranties are strictly marketing tools on the order of incentives or rebates, according to a Subaru of America spokesman.

Subaru, which previously offered only a one-year comprehensive warranty, has introduced a three-year powertrain and corrosion warranty.

"We went with a longer warranty for 100 percent competitive reasons," the Subaru spokesman said. "Management has always viewed warranty as a marketing tool, not as a sign of the life of the product. They are comparable to incentives to a large extent.

"Our dealers said people were competitive shopping — largely with the other Asian companies. Our (old) warranty was one of the lowest among the Japanese manufacturers," he said.

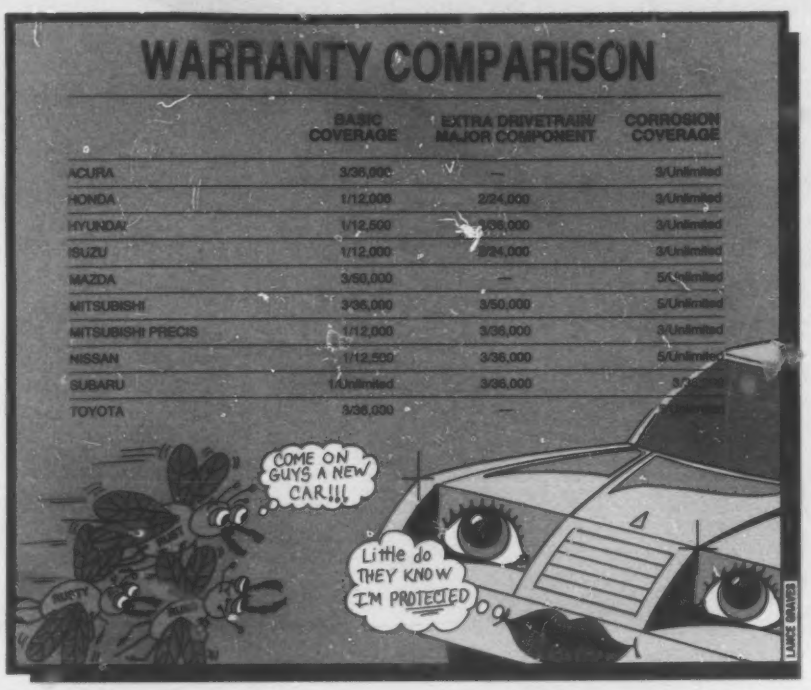
Nissan Motor Corp. in U.S.A. bumped up its corrosion coverage from three to five years. Thomas Mignanelli, senior vice president of sales and marketing, said a salesman may use a warranty to close a sale, but it is not a marketing tool or a drawing card.

Doug Lawrence, national warranty manager for Nissan Motor Corp., noted that a warranty can have a negative effect if it doesn't meet the expectations of customers. Also, some cars are seen as needing a long warranty and others have a long warranty because they can support it.

However, Nissan is not ignoring the efforts of its competitors. Asked if a full-scale "warranty war" is likely among Japanese manufacturers, Lawrence said, "Nobody wants to go to war. We are looking at the situation daily, but the situation is not tense. Just say, we are very alert to the competition and the marketplace."

An American Honda spokesman said, "Our sales (of Honda and Acura) have held up well. It is a competitive market, but our warranty has proved acceptable. No changes are planned."

Honda cars are covered by a 12-month/12,000-mile comprehensive warranty, a two-year/24,000-mile powertrain warranty and a three-year/unlimited-mileage corrosion warranty. As noted, Acura models have a 3/36 comprehensive warranty.



PICKUPS

FROM PAGE 1

To some extent, new low-priced imported cars from Korea, Brazil and Yugoslavia also have eaten into that portion of the small pickup market.

As it is, Toyota's 252,946 pickup sales in calendar 1987 were off 21.13 percent from the year-earlier total. Similarly, Nissan's 164,528 pickup sales were off 24.01 percent from 1986.

Also, Mazda, with sales of 123,699 small pickups, had a 21.27 percent decline from 1986; Isuzu, with sales of 44,297 pickups, had a 14.53 percent decline; Dodge's Mitsubishi-built Ram 50, with 65,593 sales, had a 16.66 percent decline; and Subaru dropped out of the market after selling 1,274 pickups.

Mitsubishi was the only importer to show a gain, with 37,835 pickup sales compared with the 28,307 retailed in calendar 1986.

Overall, small pickups accounted for 1,406,571 of the industry's 4,668,483 light-duty sales last year, equal to a 30.13 percent share of the market.

Volume declined 2.24 percent from the 1,438,804 small pickups sold in 1986, when they accounted for 31.25 percent of the light-truck market.

New full-sized pickups from Ford and GM helped to slow, but not stop, the ongoing decline of the full-sized pickup market.

Full-sized pickups, the second largest light-truck category, chalked up 1,204,232 sales in calendar 1987, accounting for 25.80 percent of the light-truck total.

Their sales were off 2.69 percent from 1,237,500 sold in calendar 1986, when they accounted for 26.87 percent of the market.

Large sport-utility and van sales continued to decline, largely because of the increasing inroads of compact versions of those vehicles.

Full-sized van sales of 473,396 units were off 7.69 percent from 512,823 retailed in 1986.

Their 10.14 percent market share was down from an 11.14 percent share in 1986.

Full-sized sport-utilities accounted for 208,643 sales, off 6.16 percent from the previous year's 222,338.

Their 4.47 percent market share reflected a decline from the 4.83 percent share of market they held in 1986.

The Japanese had mixed results in the growing compact van market, but fared better overall in the compact sport-utility segment.

Toyota, for example, retailed 19,414 compact vans last year, off from 33,290 in calendar 1986; Nissan, 17,673 compared with none the previous year; and Mitsubishi, 3,103 compared with 2 the previous year.

In the sport-utility segment, Toyota retailed 31,423 4Runners, up from 30,158 in 1986; Nissan, 34,313 Pathfinders, up from 6,901; and Isuzu, 42,693 Troopers, up from 36,893.

Mitsubishi retailed 10,924 Monteros, up from 6,676 in calendar 1986; Suzuki, 81,349 Samurais, up from 47,732; and Dodge, 19,539 Mitsubishi-built Raiders, up from 4,768 in 1986.

Small sport-utilities outsold minivans for the first time in calendar 1987.

Compact sport-utility sales of 688,024 were up 16.56 percent from 590,287 in 1986.

Minivan sales of 687,617 were up 14.02 percent from 603,085 in 1986.

They had a 14.73 percent market share compared with a 13.10 percent share in 1986.

Warranty firm dies; makers fill in

By Alex Law
SPECIAL CORRESPONDENT

TORONTO — Seven Canadian import-car firms have agreed to honor about 400,000 extended-warranty contracts sold by a bankrupt firm in Edmonton, Alberta.

People who bought extended warranty coverage on Mazdas, Hondas, Hyundais, Nissans, Toyotas, Subarus and Volkswagens from International Warranty Co. Ltd. will have their claims covered — for the time being, and only if they bought the cars new.

International Warranty let its 150 employees go and closed its doors in mid-December.

The uncertainty about how long this offer will stand depends upon the findings of the court-appointed receiver, Clarkson Gordon. The firm is expected to present a plan for processing warranty claims by the end of the month.

Until then, the car firms will honor the estimated 4,000 warranty claims, but they have made it plain that they are under no legal obligation to do so.

However, an Ontario official has written all the car companies, domestic and imported, telling them the government expects them to honor the contracts they endorsed or sold.

How each claim will be treated at each car company is somewhat in doubt, since the warranty records are in the possession of Lloyds Bank Canada, a secured creditor of International Warranty.

The Automobile Importers of Canada is trying to obtain access to the records. To complicate the matter further, the auto importer association has to gain access to the files of an insurance company that insured payment of claims under some International Warranty contracts.

It appears, however, that the people who bought their cars used will simply be out of luck.

Spurred by that situation, Automobile Importers of Canada has asked the 10 provincial governments in Canada to set up consumer protection legislation covering extended warranties on cars.

Peter Davies, the group's executive director, said it wants the governments to take the "appropriate steps" needed to "safeguard the interests of our customers in this matter and in the future."

JAPANESE

FROM PAGE 2

The great rise of the yen and the resulting severe losses in profits have led all companies to look for new ways to tighten their belts. The effort is particularly pronounced at Nissan and Mazda, whose sales have faltered in recent years.

Last year, when Nissan had just recorded its first-ever operating loss, Kume opened the new year by calling for a "lean company."

This year, with the anticipation of a 50 billion yen ($400 million) operating profit, Kume called for greater efforts to build a "strong and tough corporate organization."

Mazda's Furuta said previous efforts to cut back had focused on reducing waste. He said the company now needs "a drastically new approach, with an eye toward developing the best possible performance at the lowest possible cost."

Kume

Toyoda

All companies refer to 1988 as what Mazda's Furuta calls "a challenging year." The prospects of maintaining employment is an issue at a time when exchange rates and cyclical demand are deflating the export market and increasing the prospects of moving some production overseas.

But all companies insist they will maintain current levels of employment, despite continued efforts to reduce costs. Recently, Mazda announced a tie-up with Suzuki Motor Co. to produce minicars for the domestic market. Part of the intent was to expand Mazda's efforts in the Japanese market, but the company also said its point was to maintain employment levels at its Hiroshima plants.

Toyota Chairman Eiji Toyoda said that maintaining employment is a problem not just for the company or the industry, but for the country.

RVIA plans to expand consumer awareness effort

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

LOUISVILLE, Ky. — Although it is bullish about the long-range future, the Recreation Vehicle Industry Association has a number of more immediate concerns to resolve.

A major one is its continuing effort to create greater awareness of RVs among consumers.

"A lot of people still don't know what an RV is. They think it's a motor home or pickup camper," said Don Cuzzocrea, chairman of the RVIA board of directors and chairman of Starcraft Corp.

RVIA will continue — and expand — its public relations efforts through Burston-Marsteller, New York, which netted it a segment on television's "20/20" show and a lot of local TV spotlights.

RVIA also won gold honors in the Mercury Awards Competition, an international communications competition, for its promotion manual for first-time buyers, which was aimed at helping RV dealers expand their markets.

Its "Wish you were here" weekly RV travel series on cable TV received an ACE Award nomination from the National Academy of Cable Programming.

Through an agreement with the Recreation Vehicle Dealers Association, Fairfax, Va., RVIA plans to pool its finances and get additional input from RV dealers for increased promotional efforts, Cuzzocrea said.

RVIA has also been lobbying, on a state-by-state basis, against stricter driver licensing for RV operators.

Because of the federal government's crackdown on heavy-truck accidents, some states have been looking at stiffer licensing requirements for operators of large vehicles, including motor homes.

California is looking at new medical requirements, including tests, for motor home operators.

Cuzzocrea said there are no statistics indicating that motor homes, generally driven by senior citizens, are involved in an inordinate number of accidents.

The RVIA is concerned, though, that stiffer licensing requirements might scare some of those people away from the market.

The association has been successful in defeating changes in the new federal income tax law that would have eliminated the deduction of interest on loans used to buy RVs as second homes.

Cuzzocrea pointed out how unfair it would have been "if a guy who buys a $1 million condo in Maui, Hawaii, can write off the interest on his loan" but a middle-income person "who bought a park model and parked it in Texas" wouldn't have been allowed to write off the interest.

RV buyers tend to make pretty big down payments, often 50 to 60 percent of the price of the vehicle, Cuzzocrea said. Some even pay cash for units that cost up to $100,000 or more.

The law probably would have had more of a psychological effect than anything else, he said.

"If they found the interest not deductible, that would have been one more reason for them not to buy. Our job is to remove all the negatives," Cuzzocrea added.

RVIA is continuing its certification program for van converters and is continuing its educational program on federal safety standards for them.

But it doesn't plan any tougher certification standards or entry into new areas, like warranty standards for converters.

"We (RVIA) have discussed setting other standards numerous times," Cuzzocrea said. "But as an industry association, we really can't. It gets into the competitive nature of the business. Trade associations are restricted by federal antitrust laws. Our legal feeling is that the current program is as far as we can go in our standards."

Warranties, for example, are part of the price and the package that converters offer, and there is no legal way to standardize them throughout the industry, even though good warranty backing is a major dealer concern, he added.

Just as the car companies have been focusing on customer satisfaction, so has the RV industry, and "the general quality level of this industry is so much better than it was four or five years ago," Cuzzocrea said.

"All the way up and down the product lines, the improvement is really amazing. It's not really an association thing. The companies realize that if they don't take care of customers, they won't come back," he said.

From a demographic standpoint, RVIA manufacturers are excited about the long-term outlook.

All the surveys conducted either by the RVIA or independent companies point out that the major RV buying segment is the fastest-growing in the country.

The industry is looking for good times between now and the year 2000. That is probably more true of larger motor homes and fifth-wheel trailers than some other segments.

Fold-down camping trailers, for example, are not expected to show much growth during the next 10 years. That is one reason why Starcraft has been diversifying into big travel trailers.

The company has four van conversion plants and could probably use another in Florida, a strong van conversion market where Starcraft isn't very heavily represented, Cuzzocrea concluded.

RV shipments rise for third straight month

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

RV wholesale shipments rose for the third straight month in October, continuing a late-season selling surge for the industry.

October shipments of 33,900 units were up 16.10 percent from a year earlier. The industry shipped 347,400 units during the first 10 months of the year, an increase of 5.88 percent over the same period in 1986, the Recreation Vehicle Industry Association said.

The results were considered very encouraging, particularly in light of the October stock market tumble and the resulting slide in consumer confidence.

The Index of Consumer Confidence, as measured by the University of Michigan's Survey Research Center, showed October's level was down 4.30 points, to 89.30, largely due to responses received in the final 10 days of the month.

Although consumers were not as optimistic about the economy in general, their evaluation of their personal finances has remained quite favorable, RVIA said.

All categories of RVs except park trailers participated in the October upturn, with van campers leading the way with a 100 percent sales increase.

Van camper sales totaled 600 units in October. With 5,800 for the 10-month period, they exceeded the full-year total for 1986.

Van conversion shipments, totaling 14,800 in October, were up 18.40 percent from a year earlier. Their 10-month total of 157,200 units was 0.88 percent below 1986's level. The industry shipped 181,900 units in 1986.

Shipments of van chassis with the seat-delete option from Detroit manufacturers to converters totaled 16,900 in October, off 22.83 percent from 21,900 a year earlier.

For the 10-month period, however, Detroit manufacturers shipped 181,000 stripped chassis, up 25.00 percent from 144,800 in the year-earlier period.

Recreational Vehicle Wholesale Deliveries

	October 1987	October 1986	% change	10 months 1987	10 months 1986	% change
Travel trailers	4,900	4,600	+ 6.5	53,400	49,300	+ 8.3
Park Trailers	800	900	- 11.1	5,600	6,500	- 13.9
Travel trailers—fifth wheel	2,800	2,300	+ 21.7	23,200	19,900	+ 16.6
Folding camping trailers	3,100	2,500	+ 24.0	35,200	30,100	+ 16.9
Truck campers	800	600	+ 33.3	9,000	6,400	+ 40.6
Towable RV total	12,400	10,900	+ 13.8	126,400	112,200	+ 12.7
Conventional (type A)	4,100	3,200	+ 28.1	34,700	28,000	+ 23.9
Van Campers (type B)	600	300	+ 100.0	5,800	5,000	+ 16.0
Chopped vans (all)	2,000	2,300	- 13.0	23,300	24,000	- 4.1
Motor home total	6,700	5,800	+ 15.5	63,800	57,300	+ 11.3
Van conversions	14,800	12,500	+ 18.4	157,200	158,600	- 0.9
TOTAL ALL RVs	33,900	29,200	+ 16.1	347,400	328,100	+ 5.9

Source: Recreation Vehicle Industry Association

1988 PLANS: *Bush will address RVIA; group schedules busy year*

RESTON, Va. — The Recreation Vehicle Industry Association, which closed out 1987 with strong attendance at its two major Western and Southern shows, has mapped out some of its 1988 agenda.

Vice President George Bush will deliver the keynote address at RVIA's annual meeting in Marco Island, Fla., March 2-5. Bush is scheduled to speak the morning of March 5.

Other key events planned as part of the annual membership meeting include an open forum featuring spokespersons from the auto industry and a meeting of van converters to discuss promotional ideas and association programming.

Converters will have a chance to talk to manufacturers about their specific industry problems and opportunities.

There also will be regional caucuses. An RVIA board of directors meeting is scheduled for March 6. The board will meet again in Washington on June 30.

Seminars on federal motor-vehicle safety standards for van converters working toward qualifications for association membership are scheduled for Feb. 18 and June 23 at RVIA's headquarters in Reston, Va.

The 36th annual Recreation Vehicle Show in Los Angeles is scheduled for Nov. 1-14. The industry trade portion of the show will be held Nov. 1-2, and the public portion is set for Nov. 4-13.

Both this Western show and the subsequent one in Louisville generated heavy traffic and upbeat responses from attendees in 1987.

Last year's show in Dodger Stadium, Los Angeles, drew 1,651 representatives from 683 dealerships, representing a 38-dealership increase over the previous year.

Public attendance at the Western Show was up 7 percent in 1987 over the previous year, with a total of 49,191 people attending.

Dealer attendance at the Louisville show was up 17 percent in 1987 over the previous year. Last year's show drew 4,472 dealers from an estimated 1,500 dealerships. Overall attendance was also up.

Vixen names new officers; gas engine due in March

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

PONTIAC, Mich. — Vixen Motor Co. has named new top officers and is preparing to introduce its new gasoline-engined motor home in March.

Robert Gillow, president of Action Oldsmobile, Livonia, Mich., became chairman of the board and chief executive officer of Vixen Motor, effective Jan. 4.

He replaced William T. Collins Jr., co-founder, who retired.

Allen J. Dryer was named president and chief operating officer. He joined Vixen in 1985 after positions with Chrysler and Volkswagen of America.

Dryer replaced Gerald Bryce, who left Vixen in December.

Collins will continue as a member of Vixen's board of directors and will do some consulting work for the company. He also will retain his minority investment in the firm.

"My mission was to get the Vixen 21 into production and to help launch the gasoline engine, and that's been done," Collins told Automotive News.

Gillow, one of Vixen's strongest dealers, has been a director of the company since it was founded.

He said the changeover to a new V-6 gasoline engine/automatic transmission model was on schedule.

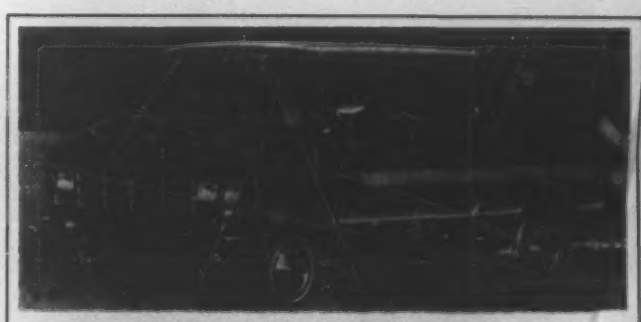
"The pilot-line vehicles are being built and system fill will take place in March," Gillow said.

The Vixen 21 SE features a new floorplan, raised roof and more conventional motor home amenities, as well as General Motors' sequentially fuel-injected 3800 V-6 engine, which is used in Buick, Oldsmobile and Pontiac cars, Gillow said.

The engine, revamped for 1988 from GM's 3.8-liter V-6, delivers a maximum 165 horsepower at 4,800 rpm and has 210 pounds-feet of torque at 2,000 rpm.

"We have been spending a lot of time restructuring, reorganizing and preparing for the new-model introduction," Gillow added. He said he was not prepared to provide all the details of the company's new-model program at this time.

A major focal point, though, will be a heavy marketing effort in California, a huge motor home market from which Vixen's previous diesel-engined model was excluded because of emissions regulations.



Winnebago highlights 1988-model conversions
Winnebago's 1988-model van conversions, such as this full-size Dodge, feature tinted vista bay windows. The company offers conversions of all domestic full-size vans and a variety of minivans. Its two distinct full-size models — the flagship St. Regis and the economical SL Value conversion — come with a variety of standard and optional features.

Canadian car sales decline 6% for '87; trucks rise 12%

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER

Canadian sales of North American-built cars dropped 6.16 percent in 1987, despite a healthy 5.14 percent gain in December.

Dealers sold 693,560 new domestic cars last year, compared with 739,124 in 1986.

In December, dealers sold 42,782 domestic cars, compared with 40,690 a year earlier.

Truck sales showed gains for both the month (18.30 percent) and for the year (12.71 percent).

General Motors sold 21,791 domestic cars in December, up 14.62 percent from 19,012 in December 1986. However, sales declined 10.47 percent for the 1987 calendar year. GM's Canadian dealers sold 355,341 North American-built cars in 1987, compared with 396,893 in 1986.

"We were down a little bit in the 1987 calendar year overall, but we're quite happy with our performance in the Canadian market," said a GM of Canada spokesman.

"The Chevrolet Corsica and Beretta and the Pontiac Tempest (Pontiac version of the Corsica) have been quite well accepted here in their first year," he added.

During December, GM offered Canadian buyers free air conditioning, free automatic transmission or $500 on Pontiac 6000, Sunbird and Tempest; Chevrolet Cavalier, Corsica, G-van, ST pickup and ST sport-utility vehicles; Buick Century; and Oldsmobile Cutlass Ciera.

CANADA MARKET SHARES December 1987

Cars	
General Motors	50.93%
Ford Motor Co.	28.21%
Chrysler/AMC	19.32%
Honda	1.38%
Volvo	.16%
Trucks	
General Motors	35.77%
Ford Motor Co.	39.70%
Chrysler/Jeep	24.53%

The Pontiac 6000 was the best-selling GM car in 1987 with 32,916 units sold. The Chevrolet C/K pickup truck was the best-selling GM truck with 29,341.

Ford sold 12,069 North American-built cars in December, up 3.07 percent from 11,710 a year earlier.

For the year, Ford's domestic sales totaled 182,912, down 1.97 percent from 186,585 in 1986.

The Ford Tempo, with 42,320, and the Ford F-series full-sized pickup truck, with 59,676, were the best selling car and truck for Ford of Canada in 1987.

Chrysler sold 8,267 North American-built cars in December, down 8.69 percent from 9,054 in December 1986. The 1987 figure includes 297 American Motors Eagles and Renault Alliances.

Chrysler's domestic-car sales were up slightly for the 1987 calendar year because of the inclusion of AMC Eagle and Renault models. The company sold 141,189 North American-built cars in 1987, up 0.93 percent from 139,894 in 1986. The 1987 total includes 4,764 domestic Renault and Eagle cars, thus sales of Chrysler, Plymouth and Dodge cars were down.

AMC figures for 1986, which are not included in the Chrysler totals for that year, were 785 for December and 13,161 for the year.

"The four- to five-month absence of the Omni and Horizon Expo (called America in the United States) and the M-body cars (Fifth Avenue, Diplomat and Gran Fury) was a factor in the decline; it definitely hurt us," said a Chrysler Canada spokesman.

The Plymouth Reliant was the best-selling car for Chrysler in 1987 with 26,847. The Plymouth Voyager minivan was the best-selling truck with 19,116.

Honda Canada sold 589 Canadian-built Hondas in December vs. 66 a year earlier. Honda began producing cars in its Alliston, Ontario, plant in November 1986. Honda sold 11,985 domestic Hondas in the 1987 calendar year, compared with 126 in 1986.

CANADIAN SALES OF NORTH AMERICAN-BUILT VEHICLES

	Dec. 1987	Dec. 1986	Pct. Change	12 mos. 1987	12 mos. 1986	Pct. Change
CHRYSLER/AMC						
Cars	8,267	9,839	– 8.69	141,189	139,894	– 0.93
Trucks-Jeep	7,358	6,022	+62.28	94,767	59,046	+60.50
GM						
Cars	21,791	19,012	+14.62	355,341	496,893	–10.47
Trucks	10,729	9,321	+15.11	158,096	151,854	+ 4.11
FORD						
Cars	12,069	11,710	+ 3.07	182,912	186,585	– 1.97
Trucks	11,907	10,012	+18.93	142,438	124,626	+14.29
VOLVO						
Cars	66	63	+ 4.76	2,133	2,465	–13.47
HONDA	589	66	-	11,985	126	-
TOTAL CAR	42,782	40,690	+ 7.21	693,560	739,124	– 6.16
TOTAL TRUCK	29,994	25,355	+25.67	395,301	350,728	+12.71

The Accord four-door model was the top-selling model for Honda in 1987.

Volvo sold 66 Canadian-built cars in December vs. 63 a year earlier. Sales of domestic Volvos totaled 2,133 in 1987, down 13.47 percent from 2,465 in 1986.

The Swedish-built 740 series was Volvo's best seller in Canada in 1987.

Truck sales continued to be strong in Canada. Dealers delivered 29,994 domestic trucks in December, up 18.30 percent from 25,355 in December 1986. They sold 395,301 domestic trucks for all of 1987, a gain of 12.71 percent over 350,728 in 1986.

Ford outsold GM in trucks in December and posted the best total in its history.

Ford sold 11,907 domestic trucks in December, up 18.93 percent from 10,012 in 1986, the previous record. It sold 142,423 domestic trucks in the 1987 calendar year, an increase of 14.29 percent over 124,626 in 1986.

GM sold 10,729 North American-built trucks in December, a 15.11 percent increase over 9,321 in December 1986. GM sold 158,096 domestic trucks in 1987, a 4.11 percent increase over 151,854 in 1986.

Chrysler dealers sold 7,358 domestic trucks in December, up 62.28 percent from 4,534 a year earlier. The December 1987 figure includes 1,993 Jeeps. AMC sold 1,488 Jeeps in December 1986.

Last month's truck total was an all-time December record for Chrysler's Canadian operations; the previous record was set in December 1986.

Jeep sales also boosted Chrysler's full-year total. Chrysler dealers sold 94,767 domestic trucks in 1987, up 60.50 percent from 59,046. The 1987 total includes 22,263 Jeeps. AMC sold 15,202 Jeeps in 1986.

In addition to North American-built cars sold in December, GM sold 523 Chevrolet Sprints, 461 Pontiac Fireflys, 25 Chevrolet Spectrums, 13 Pontiac Sunbursts, 16 Isuzu I-Marks and 13 Daewoo-built Optima models.

Ford sold 39 Merkur XR4Ti models, eight Merkur Scorpios and 412 Taiwanese-built Tracers. Chrysler sold 782 Japanese-built Mitsubishi cars, 11 Peugeots and 174 Renaults.

Honda sold 3,879 Japanese-built Honda cars and 657 Japanese-built Acura cars in December. Volvo sold 252 Swedish-built Volvos.

In the imported truck category, GM sold 50 Isuzu Troopers and Chrysler sold 271 Mitsubishi trucks in December.

Full-year totals for imports were: Sprint, 11,805; Firefly, 9,936; Spectrum, 1,150; Sunburst, 844; I-Mark, 63; Optima, 20; XR4Ti, 594; Tracer, 9,254; Scorpio, 240; Mitsubushi cars, 11,158; Peugeot, 379; Renault, 3,352; Honda, 54,964; Acura, 6,027; Volvo, 5,283; Trooper, 108; and Mitsubishi trucks, 3,757.

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S. California OK's clean-fuel plan

5-year program designed to attack air pollution at the source

By Francis J. Gawronski
AUTOMOTIVE NEWS STAFF REPORTER

LOS ANGELES — The South Coast Air Quality Management District has approved a far-reaching air-pollution-control program that could replace up to 400,0000 gasoline- and diesel-powered vehicles with those that are powered by clean-burning fuels or electricity.

Approval of the program came unexpectedly shortly after it was officially unveiled at the first meeting of the the new 11-member air-quality governing board.

The program marks a turning point in the way in which the Air Qality Management District has attempted to reduce air pollution in the South Coast Air Basin.

Most of its past efforts to curb pollution have involved the imposition of technological controls on smokestacks and tailpipe emissions. Now, for the first time, the Air Quality Management District said it will mount a concerted attack on the source of emissions — the fuels themselves.

Under the five-year program, there will be 16 demonstration projects for vehicular sources to test, under realistic conditions, the advantages and limitations of vehicles that are powered by electricity, methanol, compressed natural gas and other alternative fuels. Another 13 projects are earmarked to test the viability of cleaner-burning fuels at industrial sites.

The Air Quality Management District said it hopes the projects will hasten the day when clean-burning fuels and electricity will be used to run 40 percent of all passenger vehicles and 70 percent of trucks that now are diesel-powered. It believes that goal can reached by the year 2007.

Rules enforcing the clean-fuels decree are expected to be announced in September and are expected to cover all public and private fleets with 15 or more vehicles, including transit buses and rental cars.

They will cover between 200,000 and 400,000 vehicles in the South Coast Air Basin — Los Angeles, Orange, Riverside and San Bernardino counties — said to be the nation's smoggiest area.

Other provisions of the program awaiting formal rules will require service stations to sell cleaner-burning methanol by the early 1990s.

The air quality board will coordinate such a requirement with the California Air Resources Board, which is tightening vehicle emission standards. According to an air resources board official, that will speed the day when auto manufacturers are forced to build methanol-powered vehicles in order to comply.

Beginning immediately, all new electrical turbines, internal combustion engines and co-generation units must use methanol as the emergency backup fuel in place of diesel.

The Air Quality Management District said it is the first in the United States to impose such a requirement. It also plans to present a schedule by May to phase out the use of diesel fuel in all stationary turbines, boilers and other equipment.

Mark Shoen, center, U-Haul marketing vice president, and Harry DeShong, left, U-Haul marketing manager, with Bob LaLain, Anglo's national sales director

U-Haul chooses Anglo American to auction 50,000 trucks, trailers

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Tons and tons of trucks, trailers and mobile homes will roll across the auction blocks beginning this month in a deal ballyhooed by Anglo American Auto Auctions and U-Haul International as an industry first.

More than 50,000 U-Haul trucks and travel trailers will be sold through Anglo auctions during the next five years as the national rental company for do-it-yourself movers begins an expansive rotation of its aging fleet.

"This marks the first time that U-Haul will use an auction firm to remarket its fleet," said Al Ladensack, public information director for U-Haul. He said 10,000 vehicles will be shipped to Anglo's 20 locations in 1988 for sale. He predicted that trucks will sell for $2,500 to $4,500 each.

Vehicles crossing the auction block will include: Ford F-350 trucks with one-ton chassis and aluminum van boxes measuring 14 feet; several varieties of Ford F-600 trucks with two-ton chassis and aluminum boxes measuring 12 feet, 16 feet, 20 feet and 24 feet; 1984 and 1985 Southwind motor homes; and 1985 27-foot Alumalite motor homes.

The package also includes hundreds of stake trucks, tractors and trailers through Class 8, vans and miscellaneous pickup trucks.

About 60 percent of the vehicles destined for the auctions are F-600s and most of the others are F-350s. Ages of the trucks ages are mixed, dating from 1974 to 1984, Ladensack said.

He said the company will unload approximately 4,000 motor homes and 650 tractor-trailer rigs in a broad range of classes.

Anglo auctions will sell the trucks in dealer-only sales and in special public sales at auctions held in Atlanta; Fort Wayne, Ind.; Dallas and San Francisco.

Dealers will be alerted to the U-Haul sales through direct mail, telemarketing, display advertising and point-of-purchase programs.

Nearly all the vehicles are equipped with four-speed manual transmissions, although there will be some automatics. All have ramps and low decks for loading.

"In many cases, the mileage is unknown because the speedometers have gone beyond their range," said Bob Lalain, national sales director for Anglo.

In the past, U-haul rotated its vehicles by selling them through its rental outlets. "This is a new stance for us," said Ladensack. "We felt it would be a quicker method of disposing of the vehicles."

Alfa Romeo seeks America's eye

164 sedan's launch will culminate its 20-month publicity plan

By John A. Russell
AUTOMOTIVE NEWS STAFF REPORTER

ENGLEWOOD CLIFFS, N.J. — Executives at Alfa Romeo Inc. have a major goal for the next 20 months: Get Americans to sit up and take notice of their company and its cars.

The time span is significant because at the end of it, the new 164 sedan will be introduced in the United States.

Robert Owens, Alfa Romeo marketing director, said the company has no intention of merely dropping the new model into a highly competitive marketplace without preparation.

Many former Alfa Romeo executives have expressed similar goals over the years. However, this time, according to Owens, Alfa Romeo has a product to build upon: the Milano.

The Milano sedan, introduced in early 1986, received generally good reviews from the enthusiast press.

Owens, who has been with Alfa Romeo for slightly over a year, termed the Milano a legitimate contender in the sports sedan market. He views the car as the cornerstone on which to build Alfa Romeo's sedan business after years of being considered in the United States as a sports-car company.

Owens did not minimize the importance of the sports-car market to the company. The Spyder, in three versions, has represented the bulk of Alfa sales in the United States for years even though the design is old. Owens referred to it as "classic."

Owens: Milano is the cornerstone on which to build Alfa Romeo's sedan business

Unlike the Spyder, the Milano has a lot of competitors in the marketplace, including the BMW 3 series.

Alfa Romeo sold 6,300 cars in 1987, down from 8,201 in 1986. Owens attributed the decline to the lack of an automatic transmission for the Milano. Milano sales last year were 2,839. The company sold 70 GTV-6 coupes, a model that has been discontinued. The rest of the sales were Spyders.

Alfa Romeo expected to have Milano automatics last March. Instead, the cars arrived in December, which prevented the company from taking advantage of prime selling periods.

There is now a good model mix, Owens said, with two automatic-transmission and two manual-transmission Milano models available.

A glimpse of the support Alfa Romeo has in mind to promote the company and the Milano was seen late last year. It went into television advertising on a broader scope than at any time in the past.

From Sept. 10 to Dec. 13, the company spent $6 million on a campaign to make the name more widely known. Owens said the company had planned to return to television advertising this month, but decided to postpone the return for several months because of the unsettled conditions resulting from the stock market crash.

A new television commercial is in production and should be completed by the end of this month, Owens said.

Owens said he does not want to become involved in what he terms "extra-curricular programs," such as roadside assistance. However, Alfa Romeo soon will introduce a leasing program. The leasing program will be promoted in print advertising.

He also said that Alfa Romeo will concentrate its future advertising efforts on television, magazines and newspapers.

Chrysler slates $187 million for Indiana

INDIANAPOLIS — Chrysler Motors will spend $187 million to modernize three Indiana plants.

Richard E. Dauch, Chrysler Motors executive vice president — manufacturing, said the company will invest $130 million to expand its transaxle and transmission program at Kokomo, $30 million to modernize the Indianapolis foundry and $27 million to update the New Castle machining and forge operation.

Chrysler officials said the company could spend up to $38.5 million retraining 3,380 workers at the three plants. Indiana will contribute $1,015,000 to help with retraining costs.

Dauch said the reinvestment in the Indiana plants will help the company compete against foreign and domestic manufacturers.

"It's no longer the Big 3. It's the Big 36," he said. "If we are to compete effectively with them, we must constantly update our technology to equal or surpass our foreign competitors."

At the Indianapolis foundry, which manufactures *engine blocks, all 719 employees* will be retrained at an estimated cost to Chrysler of $21.8 million.

At New Castle, where components such as wheel hubs, idler arms and tie rods are produced, all 1,061 employees will be retrained at a potential cost of $13.7 million, officials said.

Retraining costs are expected to reach $3 million for 1,600 of the 4,492 workers at Kokomo, where three- and four-speed transmissions for both rear-wheel-drive and front-wheel-drive vehicles are manufactured.

Chrysler is phasing out its Indianapolis electrical plant, which had 975 workers when the two-year phaseout was announced last March.

— The Associated Press

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AUCTION DATES

Chrysler Motors

Jan. 19 — American Auto Auction, Walpole, Mass.; Hatfield Auto Auction, Hatfield, Pa.; Metro Auto Auction of Kansas City, Lee's Summit, Mo.; and Golden Gate Auto Auction, Fremont, Calif.

Jan. 20 — Butler Auto Auction, Gibsonia, Pa.; A.D.E. of Birmingham, Birmingham, Ala.; Minneapolis Auto Auction, Plymouth, Minn.; Southwest Auto Auction, Phoenix, Ariz.; and Denver Auto Auction, Aurora, Colo.

Jan. 21 — Clanton's Auto Auction, Darlington, S.C., and Northway Exchange, Clifton Park, N.Y.

Jan. 22 — Manheim Auto Auction, Manheim, Pa.

General Motors

Jan. 19 — Southern Auto Auction, East Windsor, Conn., and Dallas Auto Auction, Grand Prairie, Texas

Jan. 20 — Atlanta Auto Auction, Atlanta; Baltimore-Washington Auto Exchange, Baltimore; Clanton's Auto Auction, Darlington, S.C.; Mississippi Auto Auction, Hattiesburg, Miss.; Omaha Auto Auction, Omaha, Neb.; and Indianapolis Auto Auction, Indianapolis

Jan. 21 — Arena Auto Auction, Chicago; Ohio Auto Auction, Grove City, Ohio; St. Louis Auto Auction, Bridgeton, Mo.; and Utah Auto Auction, West Bountiful, Utah

Ford Motor Co.

Jan. 20 — Lakeland Auto Auction, Lakeland, Fla., and Southern California Auto Auction, Fontana, Calif.

Jan. 21 — Denver Auto Auction, Aurora, Colo.; Aptco Auto Auction, Taylor, Mich.; Skyline Auto Exchange, Fairfield, N.J.; and 166 Auto Auction, Springfield, Mo.

Model Breakdown
Auction Averages

	JAN 1988	DEC 1987	NOV 1987
1988	$10,258		
1987	$8,702	$10,564	$11,220
1986	$6,514	$8,454	$8,624
1985	$5,110	$7,199	$7,257
1984	$4,273	$5,640	$5,711
1983	$3,113	$4,844	$4,897
1982	$2,235	$3,504	$3,549
1981	$1,909	$2,542	$2,549
Overall Average	$4,379	$5,914	$5,878

Used Car Sales
Auction Averages

January, 1988	$4,379
Month ago	$5,914
Year ago	$5,878

Oklahoma sale promises 300 collector cars

OKLAHOMA CITY — Sports cars will be the main attraction at the fourth annual Oklahoma City Classic Car auction, scheduled for Feb. 29-21 at the International Trade Center.

More than 300 collector cars will fall under the gavel, including a 1962 Ferrari Lusso, a 1967 Ferrari 330 GT, a 1972 Jaguar V-12 roadster, a 1964 Austin-Healey 3000 and a 1973 Porsche RS Carrera coupe.

The auction will be conducted by Indiana-based Kruse International.

DOMESTIC DAYS' SUPPLIES

	Jan. 1, 1988	Dec. 1, 1987	Jan. 1, 1987
Alliance	102	73	112
Eagle	69	90	46
Total Eagle	171	77	102
Horizon	49	32	50
Sundance	80	71	76
Turismo	127	96	99
Reliant	90	86	45
Caravelle	60	82	46
Gran Fury	126	79	57
Total Plymouth	80	74	56
Laser	—	—	135
LeBaron K	134	103	43
LeBaron J	109	101	89
LeBaron GTS	144	173	83
Fifth Avenue	92	100	70
New Yorker C	49	73	—
New Yorker E	164	189	79
Total Chrysler	106	111	72
Omni	52	40	50
Shadow	83	80	51
Charger	124	122	158
Daytona	110	130	133
Aries	96	90	44
Lancer	163	211	119
Diplomat	156	119	60
Dynasty	60	45	0
Dodge 600	52	65	57
Total Dodge	91	92	62
CHRYSLER MOTORS	94	93	62
Escort	84	73	46
Mustang	61	64	46
Tempo	44	39	57
Taurus	61	77	33
Thunderbird	89	82	40
Crown Victoria	63	53	41
Total Ford Div.	69	66	43
Lynx	95	77	61
Topaz	56	52	66
Sable	67	72	42
Cougar	112	95	33
Capri	—	—	5
Grand Marquis	46	39	27
Total Mercury	74	66	41
Continental	23	—	21
Lincoln	53	52	19
Mark VII	60	40	38
Total Lincoln	50	49	22
Total L-M Division	66	61	34
FORD MOTOR CO.	68	65	40
Skyhawk	117	99	131
Skylark/Somerset	150	177	124
Century	97	106	59
Regal	80	82	102
LeSabre	91	122	74
Electra	53	113	66
Riviera	110	118	97
Total Buick	84	113	81
Cimarron	132	110	78
Allante	196	139	—
Seville	53	54	65
Cadillac	84	77	56
Eldorado	50	51	89
Total Cadillac	79	74	60
Chevette	83	112	53
Nova	275	222	143
Cavalier	48	75	92
Camaro	136	150	132
Celebrity	98	119	49
Corsica/Beretta	145	175	11
Monte Carlo	179	166	99
Caprice	73	83	66
Corvette	98	98	80
Total Chevrolet	100	121	73
Firenza	87	131	163
Calais	107	114	83
Cutlass Ciera	68	78	51
Cutlass Supreme	144	107	99
Olds 88	101	99	68
Olds 98	61	98	77
Toronado	87	64	115
Total Oldsmobile	88	95	70
Fiero	175	144	148
Pontiac 1000	89	78	121
Sunbird	82	63	105
Firebird	103	95	80
Grand Am	80	63	33
Pontiac 6000	77	65	58
Grand Prix	45	55	125
Bonneville H	78	90	—
Paris./Safari	96	80	74
Total Pontiac	84	74	69
GENERAL MOTORS	91	101	72
HONDA	9	13	4
MAZDA	51	47	—
NISSAN	62	59	54
TOYOTA	18	40	44
VOLKSWAGEN	146	117	81
DOMESTIC TOTAL	79	83	58
Subcompact	53	54	—
Compact	67	67	—
Intermediate	92	99	—
Standard	74	81	—
Sportsvity	119	122	—

IMPORT DAYS' SUPPLIES

	Jan. 1, 1988	Dec. 1, 1987	Jan. 1, 1987
Chevrolet	141	131	102
Chrysler/Mitsubishi	174	78	84
Acura	24	20	36
Honda	13	13	4
Isuzu	71	113	71
Mazda	58	53	31
Mitsubishi	108	94	64
Nissan	125	90	66
Subaru	65	56	49
Toyota	18	29	12
JAPAN	54	53	36
Audi	182	115	134
BMW†	87	58	50
Mercedes-Benz	36	59	13
Merkur	172	99	127
Porsche	133	102	43
VW	96	89	66
GERMANY	87	78	51
Alfa Romeo	52	62	60
Festiva	134	112	—
Hyundai	41	26	16
Jaguar	23	26	8
Peugeot	58	73	59
Pontiac	159	98	—
Eagle/Renault	133	195	—
Saab	74	71	44
Sterling	89	82	—
Volvo	164	65	274
Yugo	130	85	32
Other Countries	81	59	38
Total Import Cars	61	57	38
Isuzu	145	124	76
Mazda	67	69	42
Mitsubishi	67	61	83
Nissan*	96	107	82
Range Rover	18	42	—
Suzuki	57	46	19
Toyota	31	44	34
Chrysler	142	121	69
Total Imp. Trucks	70	78	53
Total Imp. Vehicles	63	61	42

*Includes domestic trucks.
†Company estimate.

Imports report record inventories

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

At the dawn of the new year, the weak dollar continued to throw cold water over sales of imported cars. One dramatic result: Inventories of imported cars in the United States on Jan. 1 soared to record highs.

Stocks of domestic cars also were well above those of a year before and close to those of a month earlier.

The supply of unsold imported cars on Jan. 1 totaled 677,306 units, which represented a 61-day supply at current selling rates. That compares with 473,165 units and a 38-day supply a year before. On Dec. 1, the supply of unsold imports totaled 583,128 units, a 57-day supply, according to Automotive News estimates.

The import stockpile was down to 48 days as recently as Oct. 1 when there were 547,966 cars on hand.

The earlier record of 650,508 units, a 60-day stock, came on July 1, 1987. Truck inventories then, of 241,038 units, also were a record and represented a 71-day stock. That truck record still stands.

The stockpile of imported trucks as of Jan. 1, 1988, was 185,183 units, a 70-day supply, down from 202,207, a 53-day supply, a year ago. A month earlier, the supply of new unsold imported trucks totaled 201,613 units, equal to a 78-day supply.

As of the first of this year, the combined imported car and truck inventory totaled 862,489 units, a 63-day stock, compared with 675,372, or just 42 days, a year before and 784,741, or 61 days, a month before.

Executives of importing companies and others have been saying the dollar's declining value in relation to the Japanese yen — and most other currencies — has led to declining sales of imports in this country. A weak dollar means prices of imports must increase as sellers try to recapture profits.

The stockpile of domestic cars stood at 1,682,600 units on Jan. 1, the equivalent of a 79-day supply. That compares with 1,506,557 units, a 58-day supply, a year before and 1,686,501 units, an 83-day supply, on Dec. 1, 1987.

Inventory figures include cars in dealers' hands, in transit in the United States and at ports of entry. Days' supplies are based on selling days, excluding Sundays and holidays.

General Motors cars made up the largest share of domestic stocks as the year began. They totaled 921,495 units, or 54.76 percent of the domestic total. Ford Motor Co. had 416,221 cars, or 24.74 percent. Chrysler Motors had 295,069 cars, accounting for 17.54 percent.

Among the transplants — foreign-owned companies with assembly operations in this country — Volkswagen cars made up 1.16 percent of the domestic total. Nissan accounted for 0.78 percent; Honda, 0.61 percent; Toyota, 0.29 percent; and Mazda 0.12 percent.

By size class, the Jan. 1 domestic inventory showed: intermediate, 44.21 percent; compact, 23.87 percent; subcompact, 11.33 percent; standard, 19.18 percent and luxury, 1.41 percent.

Among imports with large days-supply figures as of the first of this year were Audi with 182 days, Merkur sold by Lincoln-Mercury dealers with 172 days and the Mitsubishi lines sold as Colts by Chrysler Motors dealers with 174 days.

Among imported trucks, large days-supply tallies were noted for Isuzu with 145 days, Nissan with 96 and Mazda and Mitsubishi each with 67 days.

IMPORT SALES BY MODEL

	Dec. 1987	Dec. 1986	12 Mos., 1987	12 Mos., 1986
ACURA	10,439	9,280	109,470	52,869
Integra	4,597	5,038	54,757	27,807
Legend	5,842	4,242	54,713	25,062
ALFA ROMEO	432	574	6,300	8,201
GTV-6	0	89	64	671
Milano	264	264	2,839	2,934
Spider	168	241	3,397	4,596
AUDI	1,836	3,788	41,322	59,795
4000S	58	813	9,043	12,261
4000CS Quattro	40	417	2,929	4,174
5000S	504	1,496	17,356	30,811
5000CS Turbo	131	361	3,604	6,303
5000CS Turbo Quattro	380	503	5,082	3,400
80	256	0	550	0
90	366	0	768	0
Coupe GT	101	196	1,990	2,846
BMW	6,744	10,472	87,839	96,759
318i	0	8	18	907
524 TD	0	23	28	1,759
325	4,410	6,430	57,754	60,915
528e	582	2,102	9,405	15,880
535i/535iS	375	765	6,550	7,377
6-Series	49	385	1,944	2,979
7-Series	1,062	759	10,028	6,942
M3	203	0	1,121	0
M5	33	0	403	0
M6	30	0	588	0
CHEVROLET	11,616	11,418	137,211	160,363
Spectrum	5,538	7,934	76,852	99,380
Sprint	6,078	3,484	60,359	60,983
CHRYSLER/MITSUBISHI	7,046	12,584	120,337	135,528
Colt	5,092	7,924	79,367	93,343
Conquest	599	1,107	11,590	7,089
Vista	1,355	3,553	29,380	35,096
EAGLE/RENAULT	1,847	388	13,991	4,152
18i	0	388	0	2,760
Fuego	0	0	0	1,392
Medallion	1,847	0	13,991	0
FORD Festiva	3,712	0	26,750	0
HONDA	40,496	40,306	312,218	405,399
Civic/CRX	17,479	17,876	134,719	212,791
Accord	11,968	12,607	104,791	112,767
Prelude	11,049	9,823	72,708	79,841
HYUNDAI	19,345	22,412	283,610	168,582
ISUZU	3,790	4,662	39,577	38,910
I-Mark	3,239	3,414	32,290	26,046
Impulse	551	1,248	7,287	12,864
JAGUAR	2,848	2,757	22,919	24,464
XJ6	2,353	2,112	17,539	19,579
XJS	495	646	5,380	4,885
MASERATI	90	123	932	1,334
MAZDA	18,649	28,299	206,354	222,716
323	6,961	9,062	76,212	74,062
626	5,044	12,675	74,439	92,411
MX-6	1,970	0	10,445	0
929	2,232	0	6,913	0
RX-7	2,442	6,562	38,346	56,203
MERCEDES BENZ	7,762	13,692	89,918	99,314
190	1,274	3,032	17,545	21,803
260E	556	526	6,160	859
300	2,032	3,828	23,456	27,521
300SDL Turbo	117	1,064	6,035	6,850
300SEL	579	0	906	0
420SEL	1,138	2,071	14,945	15,956
560SEL	696	1,187	6,346	9,922
560SL	1,139	1,718	11,825	12,214
560SEC	202	216	1,785	2,175
Tourist	27	80	915	2,012
MERKUR	635	758	14,301	14,315
XR4Ti	480	758	9,123	14,315
Scorpio	228	0	5,178	0
MITSUBISHI	5,185	5,438	67,954	49,436
Starion	257	612	5,084	5,792
Cordia	506	455	4,499	4,997
Tredia	180	896	4,972	9,449
Mirage	1,593	1,726	15,185	14,640
Galant	763	1,554	10,856	14,363
Precis	1,454	0	20,658	0
Van/Wagon	432	195	6,700	195
NISSAN	29,664	39,342	409,476	494,294
Sentra	10,343	7,852	116,266	158,893
Pulsar	2,992	5,789	61,785	47,350
Stanza	5,220	6,101	67,604	67,904
Maxima	5,957	9,325	93,289	112,755
200SX	1,234	3,329	30,085	45,952
300ZX	2,032	4,568	33,566	52,936
Hawaii	1,886	2,382	6,921	8,604
PEUGEOT	943	1,160	9,320	14,336
PONTIAC LeMans	2,910	0	35,564	0
PORSCHE	1,281	3,547	23,632	30,471
924S	105	340	2,975	3,096
944	319	844	6,336	9,486
944S	39	485	1,876	808
944 Turbo	105	380	2,588	6,215
911 Coupe	304	577	4,157	4,485
911 Turbo	103	162	1,541	1,384
911 Cabriolet	150	338	2,192	2,215
928S	156	421	1,967	2,780
SAAB	3,103	3,742	45,105	48,[illegible]
900	627	704	9,831	12,869
900S	858	1,307	14,357	15,151
900 Turbo	748	775	9,120	8,627
9000S	274	0	3,715	46
9000 Turbo	573	891	7,341	9,721
Tourist	23	65	741	832
STERLING	911	0	14,171	0
SUBARU	15,324	15,114	175,864	179,100
Hatchback	809	966	8,377	15,972
3-Door	1,159	1,224	14,541	12,032
4-Door Sedan	2,564	3,626	39,397	49,706
XT	1,160	1,709	17,901	23,947
Station Wagon	7,630	7,584	82,408	77,436
Justy	2,002	5	13,240	5
TOYOTA	72,679	71,359	583,900	631,914
Corolla	18,807	16,773	119,447	153,137
Tercel	11,142	6,894	100,590	76,914
Celica	7,156	10,106	79,333	106,731
Supra	2,619	3,924	29,907	33,823
Camry	23,447	31,112	186,633	151,767
Cressida	1,944	4,280	21,968	42,180
Land Cruiser	810	611	5,008	4,475
Van	918	2,659	12,892	21,936
4Runner SR 5	1,458	386	3,635	5,564
MR2	1,215	2,757	15,847	28,851
Hawaii	3,163	3,877	6,640	9,536
VOLKSWAGEN	11,662	11,846	130,641	143,319
Cabriolet	545	1,224	13,563	14,276
Jetta	4,864	7,195	52,551	83,611
Variagon	718	1,194	10,746	12,569
Quantum	304	1,352	9,722	11,860
Scirocco	328	881	8,971	10,364
Fox	4,905	0	40,178	0
VOLVO	4,010	2,130	106,690	113,267
240 Series	1,611	952	49,107	64,195
740 Series	1,728	815	41,360	48,578
760 Series	566	228	14,109	10,313
780	45	0	511	0
Tourist	68	135	2,452	2,181
YUGO	2,842	4,269	48,819	36,964
IMPORT TOTAL	287,800	319,500	3,144,027	3,235,346

Compiled by Ward's Reports

INCENTIVES

FROM PAGE 3

$1,000 on Electra.

There is no dealer participation cost. Customers must select the car from stock and take delivery before Feb. 29.

Buick also is offering consumers $1,000 rebates on selected 1987 Buick models that are still in dealer inventory. Eligible vehicles include 1987 Skyhawk, Skylark, Somerset, Century, Regal, LeSabre, Electra Park Avenue and Electra Estate Wagon. The 1987 Regal equipped with the 3.8-liter intercooled engine is not eligible.

The 1987 model incentives began Jan. 12 and expire March 2. There is no dealer participation cost.

CADILLAC: Cadillac is mailing coupons worth $1,500 toward the purchase of a 1988 Seville to 95,000 Seville and Lincoln Continental owners who purchased their cars between the 1979 and 1987 model years. Customers must order the cars by March 31 or purchase them from stock. The program began Dec. 20. There is no dealer financial participation required.

CHEVROLET: Chevrolet announced its "Winter Cash" program offering $400 to $1,000 to customers on selected cars and trucks. Buyers of the following 1987 and 1988 vehicles are eligible: Cavalier, $400; Spectrum, $500; Celebrity, $750; Spectrum Turbo, $1,000; S/T pickup cab and chassis model, $500; S/T Blazer, $500; C/K 1500 to 3500 series pickups and cab chassis, $500; R/V 10 to 30 series pickups and cab chassis, $500; and G10 to 30 series vans, $500. Buyers of 1988 Corsica or Beretta models will receive a $600 rebate.

The program began Jan. 12 and expires Feb. 29. Vehicles must be purchased from dealer stock. There is no dealer participation cost.

CHRYSLER MOTORS: Chrysler announced last week that buyers of its 1987 and 1988 Dodge Dakota "S" pickups can receive 7.7 percent loans for up to 48 months or 9.9 percent loans for 49 to 60 months. Customers who lease a Dakota "S" pickup through Chrysler's Gold Key Lease Program are eligible for special-rate financing or a $500 rebate. The Chrysler retail program has no expiration date.

In a program that began Jan. 12, buyers of 1987 and 1988 Dodge Caravan and Plymouth Voyager minivans can receive 9.9 percent, 72-month loans until Jan. 31.

FORD MOTOR: Ford extended and sweetened incentives on selected 1987 and 1988 cars and trucks until March 8. That program was scheduled to expire on Feb. 3. Eligible vehicles and rebates are as follows: 1987 and 1988 Escort and Lynx, $400; Mustangs equipped with 2.3-liter engines and manual transmissions, $400; Tracer, $500; Thunderbird and Cougar, $600; Thunderbird Turbo Coupe, $1,000; Taurus and Sable, $750, and 1987 Sable, $1,000.

Also included are 1987-1988 F-series full-size trucks equipped with manual transmissions, Bronco II, Ranger and Aerostar, $500. All vehicles must be purchased from dealer stock and delivered by March 8. There is no dealer participation cost.

GMC TRUCK: Rebates of $500 are offered on 1988 Sierra full-sized pickups; 1987 and 1988 R/V full-sized pickups, cab and chassis models; 1987 and 1988 S-15 compact pickup trucks and cab and chassis models; 1987 and 1988 S-15 Jimmy; and 1987 and 1988 Rally and Vandura full-sized vans.

There is no dealer participation cost. Customers must purchase eligible vehicles from stock between Jan. 12 and Feb. 29.

OLDSMOBILE: Customer rebates are $400 on 1987 Calais and 1988 Cutlass Calais, $750 on Cutlass Ciera and $750 on Cutlass Cruiser.

Dealers will receive a cash bonus on 1987 and 1988 Firenza, rear-drive Cutlass Supreme, Delta 88, Custom Cruiser and 98 Touring Sedan models based on each dealer's total sales.

Oldsmobile dealers receive $250 per unit for meeting up to 33.9 percent of their goals, $500 per unit for meeting 34 percent to 66.9 percent and $750 per unit for selling more than 67 percent of their goals.

Dealers can receive an additional $600 on any 1987 model sold between Jan. 12 and March 2 and another $400 per car if they sell their entire inventory of 1987 models by March 2.

Oldsmobile is giving each dealer an advance check worth 50 percent of his or her potential earnings from both the 1988 dealer cash bonus program and the $600 bonus program on 1987 cars.

There is no dealer financial participation charge. Consumers must purchase vehicles from stock and take delivery before the program ends.

PONTIAC: Pontiac announced its "88 Excitement Savings" last week. It offers customers rebates of $400 to $750 on selected 1988 models. The rebates can be combined with a direct-mail coupon and an option-package discount incentive on eligible vehicles.

Pontiac is offering $750 rebates on 1988 Pontiac 6000 and Bonneville models, $600 rebates on Fiero, $400 rebates on Sunbird and $400 on Grand Am. The program began Jan. 12. Vehicles must be purchased from dealer stock before Feb. 29.

No dealer financial participation is required. Pontiac also is offering dealers $1,000 on any 1987 model sold between Jan. 12 and Feb. 29. There are no sales targets in the dealer incentive program. Dealers had complained that putting incentives on the 1988 models made 1987s less attractive because of the small price differential.

Early-January auto sales 2% above slow '87 period

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

DOMESTIC SALES

	Jan. 1-10, 1988	Jan. 1-10, 1987
Eagle	330	810
Chrysler	3,766	3,064
Plymouth	3,844	4,903
Dodge	6,045	5,218
Chrysler Motors	13,985	12,995
Ford	23,048	17,030
Mercury	7,617	5,177
Lincoln	2,450	2,128
Ford Motor Co.	33,115	24,335
Buick	11,120	10,407
Cadillac	3,193	6,443
Chevrolet	18,193	21,955
Oldsmobile	15,950	15,277
Pontiac	10,915	11,227
General Motors	59,368	65,309
Volkswagen	340	482
Honda	2,333	2,116
Nissan	878	1,087
Toyota	251	411
Mazda	83	—
U.S. Industry Total	110,363	107,735

Sales of domestic cars in the United States climbed a bit in early January with Ford Motor Co. responsible for much of the gain.

Deliveries of new cars rose 2.43 percent to 110,353 units compared with 107,735 a year earlier, when sales were unusually slow because income tax changes had just gone into effect. The changes knocked out the deduction for sales tax and reduced the deduction for interest paid on installment loans. The result was a new-car buying spree in December.

The Jan. 1-10 daily selling rate moved up 17.06 percent. The rate was 15,765 cars a day this year compared with 13,467 in 1986. There were seven selling days in this year's period and eight in last year's.

Ford Motor dealers delivered 33,115 cars in the Jan. 1-10 period, up 36.08 percent from 24,335 a year ago.

Honda, the only other company reporting a sales increase, retailed 2,333 units, up 10.26 percent from 2,116.

General Motors dealers delivered 9.10 percent fewer cars with sales at 59,368 units against 65,309 last year.

Chrysler Motors sales were off just 0.07 percent and totaled 13,985 cars vs. 13,995.

Toyota's sales fell 38.93 percent to 251 units from 411, and Volkswagen's fell 29.46 percent to 340 units from 482. Nissan deliveries were down 19.23 percent in the 10 days to 878 units from 1,087.

Ford Division sales were up 35.34 percent; Mercury's were up 47.13 percent; and Lincoln's rose 15.13 percent.

For GM, the major drop was at Cadillac with a sales decline of 50.44 percent.

PROBES

FROM PAGE 1

against Japanese light-truck manufacturers is being prepared by the MVMA. According to Steve Collins, MVMA director of international affairs, MVMA "is in the middle of a study on Japanese light-truck pricing."

Collins said MVMA undertook the study at the request of the U.S. Commerce Department. The Commerce Department, in turn, has been under pressure from members of Congress and the Big 3 to initiate an anti-dumping case against Japanese light-truck manufacturers.

Collins said MVMA expects to complete its study in late winter or early spring.

S. Bruce Smart, undersecretary of commerce for international trade, told a House committee last year he is convinced that foreign automakers have been dumping their products on the U.S. market, but bemoaned the fact that no domestic companies have filed formal complaints.

Under U.S. trade law, the Commerce Department may bring its own case against foreign companies. An action of that kind is unusual, although a successful Commerce Department case was brought on behalf of the U.S. semiconductor industry. For reasons of cost and diplomacy, the Commerce Department has historically preferred that U.S. industries prosecute their own cases.

A staff member of the International Trade Commission said GM has submitted a draft petition of an anti-dumping case against Hyundai to commission attorneys. Investigative attorneys have been reviewing the petition, although GM told the ITC it may not decide whether to file a case until late March.

Spokesmen for GM say they are not preparing a case against Hyundai and that reports to the contrary are "absolutely untrue".

According to trade commission sources, however, GM told the commission it will make a decision on whether to file a case based on several factors. These include the final resolution of the Canadian trade case.

The initial verdict in that case is under protest by Hyundai and will not be resolved until March or April of this year.

An ITC commissioner, who asked not to be identified, said attorneys for one of the domestic manufacturers have had discussions with commission attorneys about a possible case.

When told that GM is allegedly preparing an anti-dumping case, a Hyundai spokesman said, "Hyundai is not dumping automobiles or automobile parts in America. We feel strongly that our company offers the highest-value car in the subcompact segment. We are aware of the rumour that GM may be preparing an anti-dumping case against Hyundai, but we are treating the report as no more than a rumor."

The spokesman added that Hyundai's recent decision to raise prices resulted from meetings held months ago and is entirely unrelated to charges of dumping.

GM is in a unique position to file an anti-dumping case against the Korean auto manufacturer because of its first-hand knowledge of the country's production costs. GM has a 50 percent interest in Daewoo Motor Co., which last year began supplying LeMans models to Pontiac.

GM also may be capable of demonstrating injury by reason of Hyundai's pricing if domestic manufacturers continue to have difficulty selling cars to entry-level buyers.

Danforth's letter to Takeshita said, "If Japanese auto companies were to pass through the full effects of the shifts in the yen-dollar exchange rate — that is, if they were to adjust prices well beyond the 25 percent on autos and 20 percent on trucks that we have seen since September 1985 — I believe that the current economics of the marketplace must dictate that Japan's auto exports to, and market share in, the U.S. would drop dramatically below the existing restraint level.

"This cessation of dumping on the part of Japanese automakers, coupled with price restraint on the part of their American counterparts (the Big 3), would surely have a significant impact on our overall balance of trade.

"In the absence of this type of responsible behavior on the part of Japanese automakers, it is inevitable that Japan will continue to face both intense pressure for a sharp reduction in the restraint level and the very real threat of anti-dumping cases," Danforth said.

Sign of upturn for steel: Lakes boats race ice lock

By Roger Rowand
AUTOMOTIVE NEWS STAFF REPORTER

Some economists say filled order books in basic industries such as steel are an indication of a strong and growing economy.

DETROIT — Late last week, several iron-ore boats steamed down the Great Lakes in a race against winter's fast-approaching ice.

As Great Lakes Steel near Detroit had guests in to show off a $245 million piece of new machinery, two other steel companies were announcing price hikes.

Such vigorous signs of life may have surprised some who have been calling the steel industry moribund and maybe in some stage of rusty rigor mortis. News of such activity for the automotive industry is of the good and bad variety.

The shipping movements this late in the year — the latest since the mid-1970s — are a good indication the basic steel industry expects its production rates to continue strong in the months ahead.

In turn, some economists say filled order books in basic industries such as steel are an indication of a strong and growing economy — good news for car and truckmakers.

The steel company's visitors saw a new continuous caster and ladle metallurgy station that will sharply increase the company's casting capacity. Continuously cast steel is of higher quality than steel made by the older batch method, experts say.

The caster's completion caps a $500 million Great Lakes Steel capital spending program by its parent, National Steel Corp. Much of the outlay was aimed at satisfying automotive customers' demands for steel that is better in terms of such qualities as formability and chemical content and that is delivered just-in-time. The just-in-time feature is enhanced by reductions in the amount of scrap steel produced.

Kokichi Hagiwara, National Steel president, said the new machinery "will enable us to produce quality that will compare favorably with any steel company in the world."

The computerized facility has annual capacity of 2.2 million tons.

The price increases came from USX Corp., the country's biggest steelmaker, and from Bethlehem Steel Corp., the second largest. Prices were raised by amounts ranging from 4 percent to 8 percent, effective April 3.

Usually, other companies follow the leaders in the steel pricing game, and this time several said they were studying the price moves by the big producers. Prices of galvanized steel sheet, used increasingly in auto body panels, were not increased.

PRODUCTION

Auto output up for week, trails 1987

By Kathy Barbaglia
AUTOMOTIVE NEWS STAFF REPORTER

Targeted domestic auto production of 111,300 cars last week was 5.66 percent more than the prior week's 105,338 but 31.84 percent below the year-ago week's 163,295.

Last week's scheduled production was divided as follows: General Motors, 41.37 percent; Ford Motor Co., 35.94 percent; Chrysler Motors, 11.32 percent; Honda of America Manufacturing Inc., 6.64 percent; New United Motor Manufacturing Inc., 2.92 percent; Nissan Motor Manufacturing Co. U.S.A., 1.20 percent; and Mazda Motor Manufacturing (U.S.A.) Corp., 0.61 percent.

Volkswagen of America's Westmoreland, Pa., plant resumes output today. The plant has been idle for inventory adjustment.

GM announced that production of the new all-wheel-drive Pontiac 6000 STE will begin in February at its Oklahoma City plant. However, a spokesman said overall output at the plant will not increase. The plant also builds the Buick Century and Chevrolet Celebrity.

The Oklahoma facility closed today for two weeks for inventory adjustment.

GM's Fiero plant in Pontiac, Mich., remains idle for inventory adjustment until Jan. 25.

Three GM plants resumed output today after being closed due to sluggish sales. They are: Lakewood, Ga.; Van Nuys, Calif.; and Linden, N.J.

Domestic truck output was estimated at 83,523 units last week, 7.70 percent more than the prior week's 77,551 and 6.41 percent more than the year-ago week's 78,502.

Year-to-date, 161,074 trucks have been assembled, 5.97 percent more than the 151,999 built last year at this time.

Ford announced it built its three-millionth light truck at its Wayne, Mich., assembly plant last Monday.

GM's Pontiac West plant in Pontiac, Mich., resumed output today. The plant had been idle for inventory adjustment.

Car-truck build rises in Canada

Canadian automakers scheduled production of 23,634 cars last week, 5.11 percent more than the previous week's 22,486 and 39.83 percent more than the year-ago week's 16,902.

So far this year, 46,120 cars have been built, 35.55 percent more than the 34,025 built last year at this time.

Truck output was targeted at 18,772 last week, 16.62 percent more than the previous week's 16,097 and 16.81 percent more than the year-ago week's 16,071.

Year-to-date, 34,869 trucks have been built, 8.73 percent more than the 32,069 completed last year at this point.

Chrysler Motors' Pillette Road plant in Windsor, Ontario, resumed output last week. The plant had been closed for inventory adjustment.

U.S. CAR	Week Ended Jan. 16, 1988	Week Ended Jan. 17, 1987	Week Ended Jan. 9, 1988	Jan. to Date	Jan. 1 to Jan. 16, 1988	Jan. 1 to Jan. 17, 1987
Allanza	0	1,500	0	0	0	1,500
Total Eagle	0	1,500	0	0	0	1,500
Horizon	1,400	4,091	1,509	2,909	2,909	6,583
Sundance	1,900	2,355	2,000	3,900	3,900	3,460
Reliant	300	2,932	0	300	300	5,056
Caravelle	250	1,313	0	250	250	1,774
Gran Fury	200	0	232	432	432	0
Total Plymouth	4,050	10,691	3,741	7,791	7,791	16,882
LeBaron K	0	1,942	0	0	0	2,996
LeBaron J	0	1,470	0	0	0	2,070
LeBaron GT	100	781	157	257	257	1,241
N. Yorker E-Class	0	1,938	0	0	0	2,562
N. Yorker C-Class	1,200	0	1,081	2,281	2,281	0
Fifth Avenue	1,250	0	1,298	2,548	2,548	0
Total Chrysler	2,550	6,131	2,536	5,086	5,086	8,891
Omni	1,400	3,564	1,434	2,834	2,834	5,973
Daytona	0	736	0	0	0	1,043
Shadow	1,900	2,202	2,010	3,910	3,910	3,274
Aries	650	3,044	0	650	650	5,111
Dodge 600	200	1,315	0	200	200	1,802
Dynasty	1,300	0	1,328	2,628	2,628	0
Lancer	250	600	206	456	456	1,043
Diplomat	300	0	298	598	598	0
Total Dodge	6,000	11,511	5,276	11,276	11,276	18,246
CHRYSLER MOTORS	12,600	29,833	11,553	24,153	24,153	45,519
Escort	9,599	7,931	7,719	17,318	17,318	15,243
Mustang	4,633	4,202	4,357	8,990	8,990	8,803
Tempo	4,008	4,169	4,497	8,505	8,505	8,102
Taurus	8,316	10,718	6,943	15,259	15,259	20,049
Thunderbird	2,888	2,588	2,878	5,766	5,766	4,824
Total Ford Div.	29,444	29,608	26,394	55,838	55,838	57,021
Lynx	0	1,337	0	0	0	2,608
Topaz	1,515	1,373	1,654	3,169	3,169	2,662
Cougar	2,879	3,853	2,892	5,771	5,771	7,208
Sable	2,121	3,094	1,764	3,885	3,885	5,894
Total Mercury	5,515	9,657	6,310	12,825	12,825	18,372
Continental	644	404	702	1,346	1,346	798
Mark VII	505	613	627	1,132	1,132	1,199
Lincoln	2,893	3,052	3,323	6,216	6,216	5,983
Total Lincoln	4,042	4,069	4,652	8,694	8,694	7,980
Total L-M Division	10,557	13,726	10,962	21,519	21,519	26,352
FORD MOTOR CO.	40,001	43,334	37,356	77,357	77,357	83,373
Skyhawk	1,030	2,074	0	1,030	1,030	2,233
Skylark/Somerset	650	2,237	1,102	1,752	1,752	4,416
Century	1,635	4,377	1,179	2,814	2,814	9,099
Regal (rwd)	0	0	0	0	0	0
Riviera	0	816	0	0	0	1,646
Electra	1,722	2,647	1,719	3,441	3,441	2,618
LeSabre (fwd)	2,400	2,125	2,319	4,719	4,719	4,948
LeSabre (rwd)	0	0	204	204	204	1,773
Total Buick	7,437	14,276	6,523	13,960	13,960	26,725
Cimmaron	296	452	254	550	550	1,180
Eldorado	0	559	0	0	0	985
Seville	0	1,201	0	0	0	1,944
Brougham (rwd)	0	1,851	0	0	0	3,347
Deville (fwd)	3,600	3,832	3,208	6,808	6,808	6,434
Allante	0	44	0	0	0	78
Total Cadillac	3,896	7,739	3,462	7,358	7,358	13,968
Cavalier	6,375	8,107	6,409	13,384	13,384	15,592
Camaro	0	0	0	0	0	0
Celebrity	3,730	8,716	2,845	6,575	6,575	16,813
Corsica/Beretta	3,765	4,053	4,352	8,117	8,117	6,692
Monte Carlo	0	0	0	0	0	0
Caprice	3,206	1,421	4,260	7,466	7,466	2,917
Corvette	440	650	258	698	698	1,286
Total Chevrolet	18,116	22,947	18,124	36,240	36,240	43,300
Calais	1,750	2,782	3,102	4,852	4,852	4,954
Firenza	530	1,279	0	530	530	1,195
Cutlass Ciera	0	4,227	0	0	0	8,520
Cutlass Supreme	0	0	0	0	0	0
Toronado	0	593	0	0	0	1,172
88 (fwd)	3,467	4,690	3,455	6,922	6,922	7,858
88 (rwd)	344	498	246	590	590	933
Olds 98	1,426	1,789	1,419	2,845	2,845	3,121
Total Oldsmobile	7,517	15,828	8,222	15,739	15,739	27,753
Sunbird	2,289	2,937	2,076	4,365	4,365	5,657
Grand Am	4,800	5,036	4,673	9,473	9,473	10,335
Firebird	0	0	0	0	0	0
Pontiac 6000	60	1,887	36	96	96	3,844
Bonneville	1,925	3,148	1,935	3,860	3,860	6,711
Safari/Parisienne	0	0	24	24	24	0
Fiero	0	0	0	0	0	0
Total Pontiac	9,074	12,910	8,744	17,818	17,818	26,547
GENERAL MOTORS	46,040	73,700	45,075	91,115	91,115	136,293
HONDA	7,395	7,315	6,250	13,645	13,645	14,154
Civic	1,663	4,336	1,423	3,086	3,086	5,526
Accord	5,732	2,979	4,827	10,559	10,559	8,628
MAZDA	674	0	572	1,246	1,246	0
NISSAN	1,340	2,930	1,335	2,675	2,675	5,947
NUMMI	3,250	4,202	3,197	6,447	6,447	8,130
Corolla	2,250	823	1,183	3,433	3,433	2,019
Nova	1,000	3,373	2,014	3,014	3,014	6,111
VOLKSWAGEN	0	1,981	0	0	0	2,000
Golf/GTI	0	1,731	0	0	0	1,790
Jetta	0	250	0	0	0	210
Total Cars, U.S.	111,300	163,295	105,338	216,638	216,638	297,316
Total Cars, Canada	23,634	16,902	22,486	46,120	46,120	34,025
U.S., Canada Cars	134,934	180,197	127,824	262,758	262,758	331,341
U.S., Canada Trks.	102,295	94,573	93,648	195,943	195,943	184,068
U.S., Canada Cars and Trucks	237,229	274,770	221,472	458,701	458,701	515,409

Monthly estimates may contain more or less work days in reporting.

CANADIAN CAR	Week Ended Jan. 16, 1988	Week Ended Jan. 17, 1987	Week Ended Jan. 9, 1988	Jan. to Date	Jan. 1 to Jan. 16, 1988	Jan. 1 to Jan. 17, 1987
Eagle	0	—	0	0	0	—
Premier	1,618	—	1,440	3,058	3,058	—
CHRYSLER MOTORS	1,618	153	1,440	3,058	3,058	300
Escort	0	—	0	0	0	—
Lynx	0	—	0	0	0	—
Tempo	4,386	—	4,238	8,624	8,624	—
Topaz	1,374	—	2,002	3,376	3,376	—
Crown Victoria	2,980	—	2,812	5,792	5,792	—
Grand Marquis	2,780	—	2,638	5,418	5,418	—
FORD MOTOR CO.	11,520	11,250	11,690	23,210	23,210	22,198
Celebrity	670	—	633	1,303	1,303	—
Cutlass Ciera	4,260	—	4,290	8,550	8,550	—
Cutlass Supreme	0	—	0	0	0	—
Grand Prix	0	—	0	0	0	—
Pontiac 6000	1,230	—	1,139	2,369	2,369	—
Regal	3,616	—	2,761	6,377	6,377	—
GENERAL MOTORS	9,776	5,198	8,823	18,599	18,599	10,910
HONDA	630	76	435	1,065	1,065	144
VOLVO	90	225	98	188	188	473
Total Cars, Canada	23,634	16,902	22,486	46,120	46,120	34,025

U.S. TRUCK☆	Week Ended Jan. 16, 1988	Week Ended Jan. 17, 1987	Week Ended Jan. 9, 1988	Jan. to Date	Jan. 1 to Jan. 16, 1988	Jan. 1 to Jan. 17, 1987
Caravan	1,500	—	1,614	3,114	3,114	—
Dakota	3,100	—	3,081	6,181	6,181	—
Mini-Ram Van	200	—	260	460	460	—
Pickups	1,500	—	1,528	3,028	3,028	—
Total Dodge	6,300	4,641	6,483	12,783	12,783	7,866
Cherokee	3,600	—	3,820	7,420	7,420	—
Commanche	1,000	—	982	1,982	1,982	—
Grand Wagoneer	300	—	0	300	300	—
Pickups	0	—	0	0	0	—
Wagoneer	300	—	310	610	610	—
Total Jeep	5,200	4,837	5,112	10,312	10,312	8,329
Voyager	1,300	—	1,538	2,838	2,838	—
Total Plymouth	1,300	—	1,538	2,838	2,838	—
CHRYSLER MOTORS	12,800	9,478	13,133	25,933	25,933	16,195
Aerostar	4,393	—	3,895	8,288	8,288	—
Bronco	1,295	—	1,252	2,547	2,547	—
Bronco II	3,476	—	2,970	6,446	6,446	—
Econoline	5,052	—	4,843	9,895	9,895	—
Heavy trucks	1,267	—	1,324	2,591	2,591	—
Light trucks	9,471	—	9,209	18,680	18,680	—
Ranger	7,665	—	6,518	14,183	14,183	—
Total Ford Div.	32,619	32,876	30,011	62,630	62,630	65,279
FORD MOTOR CO.	32,619	32,876	30,011	62,630	62,630	65,279
Astro	3,140	—	3,533	6,673	6,673	—
Blazer	564	—	536	1,100	1,100	—
Mediums/Heavies	1,446	—	434	1,880	1,880	—
P-Model	990	—	969	1,959	1,959	—
Pickups	6,390	—	5,856	12,246	12,246	—
S-10	5,064	—	5,083	10,147	10,147	—
S-10 Blazer	1,515	—	1,392	2,907	2,907	—
Sportsvan/Van	1,239	—	1,679	2,918	2,918	—
Suburban	1,552	—	1,252	2,804	2,804	—
Total Chevrolet	21,900	22,922	20,734	42,634	42,634	44,693
Jimmy	253	—	94	347	347	—
Mediums/Heavies	1,445	—	708	2,153	2,153	—
P-Model	108	—	42	150	150	—
Pickups	2,070	—	1,795	3,865	3,865	—
S-15	1,423	—	1,052	2,475	2,475	—
S-15 Jimmy	285	—	79	364	364	—
Safari	785	—	822	1,607	1,607	—
Suburban	894	—	694	1,588	1,588	—
Vandura/Rally Vans	1,141	—	601	1,742	1,742	—
Total GMC	8,404	7,580	5,887	14,291	14,291	14,572
GENERAL MOTORS	30,304	30,482	26,621	56,925	56,925	59,265
NAVISTAR	1,800	1,602	1,785	3,585	3,585	3,075
NISSAN	3,250	1,714	3,251	6,501	6,501	3,485
AM GENERAL*	450	50	450	900	900	100
MISCELLANEOUS*	2,300	2,300	2,300	4,600	4,600	4,600
Total Trucks, U.S.	83,523	78,502	77,551	161,074	161,074	151,999

CANADIAN TRUCK	Week Ended Jan. 16, 1988	Week Ended Jan. 17, 1987	Week Ended Jan. 9, 1988	Jan. to Date	Jan. 1 to Jan. 16, 1988	Jan. 1 to Jan. 17, 1987
Caravan	2,804	—	3,001	5,805	5,805	—
Mini-Ram Van	213	—	216	429	429	—
Ram Wagon	600	—	0	600	600	—
Ram Van	1,290	—	0	1,290	1,290	—
Total Dodge	4,907	—	3,217	8,124	8,124	18,077
Voyager	2,815	—	2,781	5,396	5,396	—
Total Plymouth	2,815	—	2,781	5,396	5,396	—
Wrangler	827	—	724	1,551	1,551	1,233
Total Jeep	827	—	724	1,551	1,551	1,233
CHRYSLER MOTORS	8,340	9,786	6,722	15,071	15,071	19,310
FORD MTR (lt. trks.)	3,648	3,539	3,466	7,114	7,114	6,729
Light trucks	3,290	—	2,551	5,841	5,841	—
Vans	1,325	—	1,084	2,409	2,409	—
Total Chevrolet	4,615	—	3,635	8,250	8,250	—
Light trucks	1,310	—	1,456	2,766	2,766	—
Vans	625	—	593	1,218	1,218	—
Total GMC	1,935	—	2,040	3,984	3,984	—
GENERAL MOTORS	8,550	2,547	5,684	12,234	12,234	5,829
NAVISTAR	225	198	225	450	450	401
Total Trks., Canada	16,772	16,071	16,097	34,869	34,869	32,069
U.S., Canada Trks.	102,295	94,573	93,648	195,943	195,943	184,068

☆—excludes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-contract vehicles.
Miscellaneous includes estimates for Mack, Volvo-White, Kenworth, Peterbilt, Freightliner, Mercedes-Benz, etc.
Monthly estimates may contain more or less work days in reporting.

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Automotive News

January 25, 1988

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63rd year—$55.00 per year, $1.50 per copy

Nissan, Ford sign Europe tie

Patrol sport-utility may be 1st product

By Richard Johnson
AUTOMOTIVE NEWS STAFF REPORTER

FRANKFURT, West Germany — Ford Motor Co. and Nissan Motor Co. last week signed a letter of intent providing for joint manufacturing of vehicles in Europe.

Sources at Ford's European subsidiary said the two companies have discussed several possible arrangements, including a production deal in Spain or Portugal. The United Kingdom was discussed as a site, but is believed to have been rejected.

The feasibility study is expected to take about a year to complete.

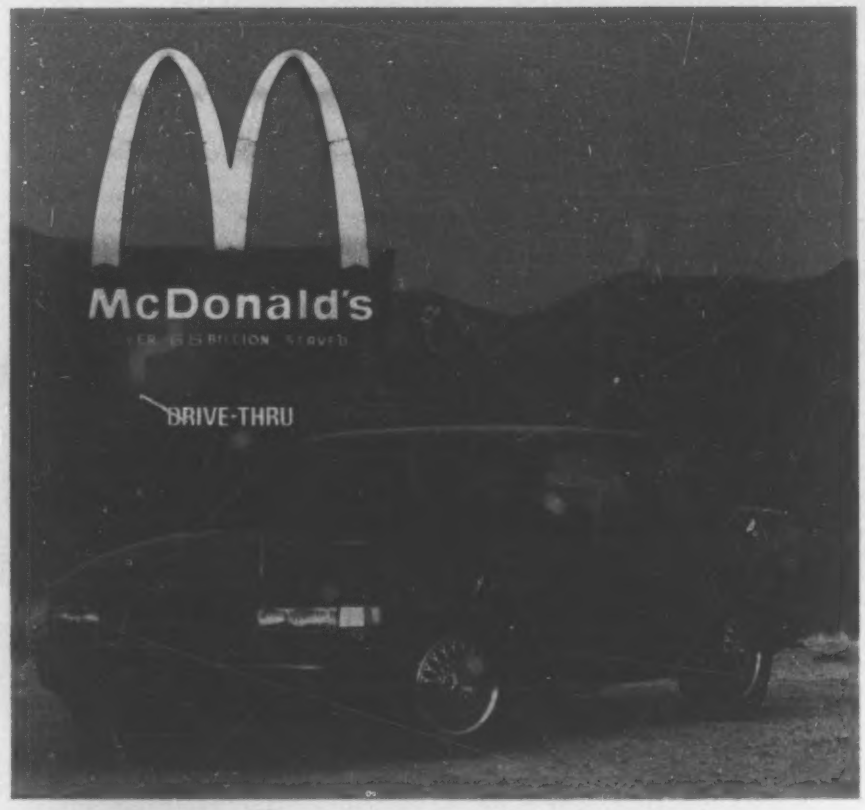
Such a move in Europe would mirror similar discussions between the two companies about joint manufacturing in North America and Australia. They also come at a time when the future of Ford's 24 percent shareholding in Mazda Motor Corp. is in question following recent top management changes at Mazda.

It is believed in Japan that Norimasa Furuta was installed as Mazda president with the backing of the company's principal shareholder, Sumitomo Bank. Sumitomo was apparently concerned that under former President Kenichi Yamamoto, Mazda was becoming too much like a division of Ford (Automotive News, Dec. 28, 1987) and the Ford-Mazda linkup could become less smooth in the future.

Combined European production was on the agenda last fall when Ford Vice Chairman Harold A. Poling and Nissan Chief Executive Yutaka Kume met in Tokyo.

A Ford of Europe official last week confirmed that the letter of

see NISSAN-FORD, page 54



PROMO: *Oldsmobile, McDonald's team up in $110 million campaign*

By Laura Clark
AUTOMOTIVE NEWS STAFF REPORTER
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Oldsmobile and the McDonald's Corp. hamburger chain will launch an estimated $110 million joint promotion on April 1 in connection with the introduction of Oldsmobile's new GM10 car, Cutlass Supreme.

Oldsmobile sources said last week that the division is planning to give away 500 Cutlass Supremes to winners of a new McDonald's Monopoly game and another 100 to instant winners of a matching card game played at Oldsmobile dealerships.

In addition, the division will offer coupons worth $400 to $2,000 off the price of a new Cutlass Supreme and cash prizes of $1,000 as part of the McDonald's Monopoly game.

There is no dealer financial participation required in the program except that Oldsmobile dealers must contribute half of the cost of the $5 McDonald's coupon books that will be given to consumers who test drive 1988 Cutlass Supremes at their stores.

Oldsmobile sources said both the division and McDonald's will promote the tie-in in an advertising campaign. Both employ Leo Burnett USA as their agency.

Oldsmobile dealers will merchandise the program in their stores and coordinate displays of Cutlass Supreme models at local McDonald's locations.

The launch of the 1988 Cutlass Supreme will represent the single biggest product launch in terms of advertising and marketing dollars in Oldsmobile's history, according to division officials. In addition to the McDonald's tie-in, Oldsmobile has planned a multi-media advertising campaign for the car's introduction.

see PROMO, page 58

Acustar sale a tough task for Chrysler

By Mary Connelly and Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTERS

DETROIT — Highly placed sources say Chrysler Motors decided to sell its Acustar parts-making subsidiary after the UAW negotiated job guarantees in new General Motors and Ford Motor Co. labor agreements.

However, the profit picture for the component-making operation and its diversity of products apparently has dissuaded potential buyers.

Although Chrysler labels as "pure speculation" Acustar's possible sale, a parade of major automotive suppliers have evaluated the $3 billion component manufacturer in recent months by invitation from the automaker.

Although some suppliers are said to be interested in acquiring parts of Acustar's operation, the company is currently insisting on selling the whole subsidiary. It has an estimated $1.1 billion in assets, 28,000 employees and 29 plants producing a wide range of components.

A spokesman from Sheller-Globe confirmed that the company looked at Acustar and expressed an interest in certain parts of its assets. "We continue to be interested in them," he said.

And a spokesman for Rockwell International said, "We've looked at it and, to the best of my knowledge, no decisions have been made at this point. It was fairly recently."

But the two companies that reportedly have expressed the most interest in Acustar are United Technologies Corp. of Hartford, Conn., and Harvard Industries of St. Louis. Harvard Industries officials were not available for comment.

Serious offers for the company or pieces of it began last fall, said sources, after the UAW settled labor agreements with GM and Ford.

Chrysler, which must negotiate a new contract with the UAW later this year, fears that an agreement patterned after the 1987 Ford and GM contracts would severely impact the company's profitability and, therefore, the long-range value and viability of Acustar.

Among other features, the GM and Ford contracts guarantee the jobs of their workforces — except those workers at plants already slated for closure — for the three-year span of the

see ACUSTAR, page 56

FORD'S FUTURE

Fourth generation steps up to board

By David Versical
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — If the entry of the fourth generation of Fords to the Ford Motor Co. board of directors was inevitable, last week's election of Edsel B. Ford II and William Clay Ford Jr. to board seats should have surprised no one.

Among the Fords of their generation, the two cousins have shown the most promise within the company founded by their great grandfather.

For Edsel Ford, the 39-year-old general sales manager of Lincoln-Mercury Division, the appointment came four months after the death of his father, former company chairman Henry Ford II. William Clay Ford Jr., who at 30 is managing director of Ford of Switzerland, joins his father, Vice Chairman William Clay Ford, on the board.

But experts on board affairs pointed out that despite the logic behind it, the decision could not have come without careful consid-

see FORD, page 56

AUTOMOTIVE NEWS/JOE WILKINS

Edsel B. Ford II, left, and William Clay Ford Jr.

Lutz, Bidwell inherit Sperlich's duties

By Mary Connelly
AUTOMOTIVE NEWS STAFF REPORTER

Chrysler Corp. officers will gather today in a special meeting at which Chrysler Motors Executive Vice President Robert A. Lutz is expected to inherit many of the duties, if not the title, of retiring Chrysler Motors President Harold K. Sperlich.

Chrysler Motors Vice Chairman Bennett E. Bidwell is also expected to assume some of the responsibilities handled by Sperlich, who announced his retirement Thursday.

Sperlich said his decision to retire at age 58 after more than 30 years in the automotive industry was a personal one designed to give him greater freedom and was not part of a wider

see SPERLICH, page 56

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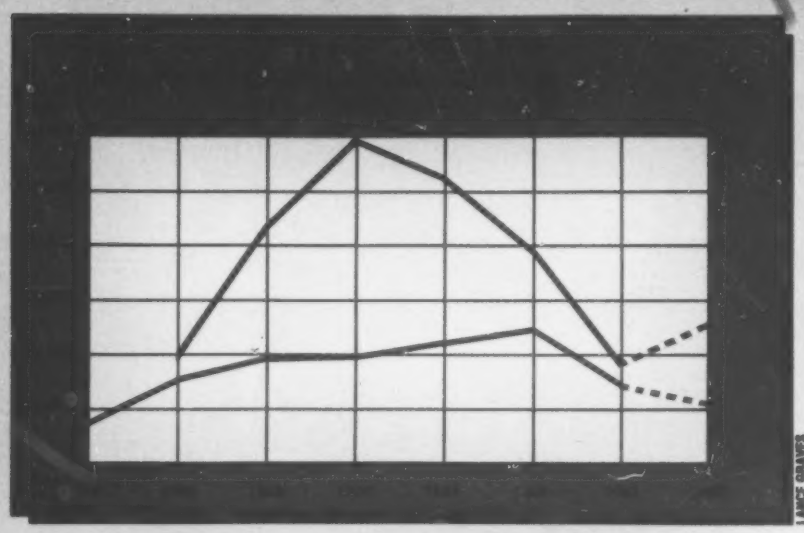

LANCE GRAVES

Entry-level cars dropped

Olds, Cadillac develop replacements

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

DETROIT — Cadillac is developing a vehicle that may be an alternative to the soon-to-be extinct Cimarron, while Oldsmobile likely will offer an entry-level Calais to replace the Firenza.

General Motors announced last week that it will stop selling the Cadillac Cimarron and Oldsmobile Firenza, both J-body compact-size cars, at the end of the 1988 model year. Production ends this spring.

The announcement came in conjunction with GM's decision to idle its Leeds assembly plant in Kansas City, Mo., on April 15. The plant produces the J-body Buick Skyhawk and Oldsmobile Firenza.

In recent years, Cadillac has been trying to decide what it should do with Cimarron and the "near-luxury," or lower end of the luxury market.

Cadillac General Manager John Grettenberger said the division has "in the development phase" an all-new vehicle exclusive to Cadillac. It would not specifically replace Cimarron or be a near-luxury model. Rather, it would fit into an entry-level luxury slot and probably would compete head-to-head with upscale models from Japan being sold through second distribution networks as well as with some European autos.

The new vehicle has not received corporate approval, nor has a timetable for its introduction been set, Grettenberger said. He also indicated that there may be more than one proposal for the all-new vehicle.

The vehicle, if and when it arrives, would be more expressive than the Cimarron and Cadillac's soon-to-be entry-level model, the Deville, Grettenberger said.

It will not, however, be an import from Opel, he added. Rather, he said he sees the new vehicle as an "opportunity to make a statement for American luxury cars."

Grettenberger has acknowledged that Cadillac looked at replacing Cimarron with the Senator, built by Adam Opel AG, GM's West German subsidiary.

It ultimately ruled that out, in part because of GM's plan to import Opel models through a separate dealer network as early as next year.

However, that plan may be in jeopardy or at least on hold as the dollar continues to weaken against the West German mark, making it less attractive to import the cars.

The decision to drop the Cimarron was a difficult one, Grettenberger said, and was made with the advice of the division's national dealer council.

"It became difficult to justify the Cimarron being in the middle of the pack of the near-luxury entries when our vision and image says we are to be at the top end of any segment we are in," Grettenberger said.

He said it also became difficult to justify the resources the division and its dealers had to put behind Cimarron when the sales returns were diminishing.

Sales of the Cimarron, which was introduced in 1981 as a 1982 model, climbed to a high of 24,209 in the 1986 model year but plummeted the following year to 14,651. Cadillac had projected sales to drop to 11,000 in the 1988 model year, but the car apparently isn't even going to live up to those expectations. Cadillac has sold only 1,893 Cimarrons so far in the model year (as of Jan. 10), which means the daily selling rate is off 57 percent from the 1987 model year.

Until a new model is brought into the Cadillac fold to fill the void left by Cimarron, Grettenberger said that the division will devote its resources to promoting Cadillac's exclusive 4.5-liter engine and other models in the line with more potential, including the new, stretched Eldorado, as well as De-

see ENTRY-LEVEL, page 54

GM signs pact to build 2-liter engines in China

By Michelle Krebs
AUTOMOTIVE NEWS STAFF REPORTER

General Motors, as expected, has announced a major venture in the People's Republic of China, which initially involves production of 2-liter engines but could ultimately result in car building.

GM officials signed the agreement last Thursday with officials of China National Automotive Industry Corp. in Beijing.

GM described the agreement as a "multiphase umbrella agreement" under which the automaker will cooperate with various Chinese enterprises in a number of areas of automotive production designed to assist China in developing its automotive industry.

China's goal is to establish an automotive industry — vehicle production as well as component operations — within its own borders rather than import vehicles and parts.

GM declined to reveal the dollar amount of the deal with China.

The first step in the agreement covers the sale of equipment and licensing of related technology for the manufacture of a GM four-cylinder 2-liter gasoline engine, now used in a number of GM products including its J-body cars. The equipment will be shipped from a plant in Flint, Mich., to the Bei Nei engine factory in Beijing.

The engines will be used in non-GM cars and trucks now produced in China as well as for replacements. The plant eventually will produce 300,000 engines a year. Assembly is to begin in 1989.

The first phase of the agreement also is expected to include a foundry joint venture, an axle program and a project involving the manufacture of starter motors, distributors and alternators.

GM said details of some of the projects are likely to be announced in the next few months.

Some of those projects may be undertaken through joint ventures with other companies, and some may be undertaken by Chinese enterprises, Barton Brown, GM vice president in charge of Asian, African and international export operations, has said.

Brown said component operations, though initially focused on commercial light vehicles, likely will be adaptable to cars. He also said the component operations will be tied into existing Chinese vehicle programs to supplement or replace present component operations. Some components would be tied to future vehicle programs and some could be exported.

So far, nothing has been specifically negotiated on car production, but eventually the GM-China agreement could cover production of cars, GM President Robert Stempel has said (Automotive News, Jan. 11).

Fuji Heavy Industries, the Japanese maker of Subaru cars, has said it is conducting a "pre-feasibility study" with GM and a Chinese company, Second Automobile Works in Sian, on possible production of small cars.

Japanese press reports have said that the overall project would cost about in the billions of dollars with an annual production goal of 300,000 1.5-liter, front-wheel-drive models.

The Chinese government, in planning its future vehicle production, has shifted some of its emphasis, which had been purely on commercial vehicles. Cars will not be used by the masses but will be for people who manage companies and work in government as well as for taxis and for tourist lease.

The philosophy behind the GM-China deal was to establish a components base, which could be generating cash, before the Chinese begin an expensive car-production project.

Brown said the GM-China deal is designed to scale the program to Chinese resources, spread out hard currency expenditures and give the Chinese an opportunity to raise hard currency.

Lexus to debut at expanded 1989 Detroit show

DETROIT — The Detroit Auto Show will become the North American International Auto Show in 1989 and will be the site of the U.S. debut of Toyota's upscale Lexus Division models.

Ken Maeda, chairman of this year's Detroit Auto Show, said that an expansion of Cobo Hall, where the show is held every January, will allow the show to become "the Frankfurt show of North America."

"This is the motor city," Maeda said. "We had the first show here in 1899, and we're going to have the best auto show in the world."

The facility expansion will allow 200,000 square feet of additional floor space for cars. Maeda noted that some manufacturers, including Mercedes-Benz, have not displayed their products at the show because of a lack of space.

Others have wanted more space. He said Toyota already has written requesting 25,000 square feet for the 1989 show instead of its usual 14,000 square feet.

Maeda said Toyota plans to use the Detroit show for the U.S. debut of its Lexus line, its second distribution network.

He said the show committee is seeking commitments from other automakers to use the show to introduce new models.

The committee also will solicit commitments from domestic makers to make their top executives available on press day.

— Michelle Krebs

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63rd year—No. 5217

AUTOMOTIVE NEWS (ISSN 0005-1551) is published weekly except semiweekly the fourth week in May at 1400 Woodbridge, Detroit, MI 48207. Second-class postage is paid at Detroit, MI and at additional mailing offices. Postmaster: Send address changes to AUTOMOTIVE NEWS, Circulation Department, 965 E. Jefferson, Detroit, MI 48207.

Calif. discounter spawned auto-dealer links

By Charles M. Thomas
AUTOMOTIVE NEWS STAFF REPORTER

Price Club, the California wholesale chain that apparently was the inspiration for discounters across the country to get into the car business, has met with mixed results since launching its auto program more than a year ago.

Price Club members buy imported and domestic vehicles at less than sticker price from dealers who pay the wholesaler a monthly advertising fee.

Similar systems are being adopted around the country by discounters with membership networks, including Sam's Wholesale Club and Amway (Automotive News, Nov. 9 and 16).

Other wholesale clubs, however, charge dealers a fee for each vehicle sold. In most instances, the fee is the amount over invoice price that customers are charged for the vehicle by the dealer.

Price Club membership is limited to business people and employees of financial institutions and state, federal and local governments. The company sells a broad range of products, from automobile tires to appliances and bulk food, at wholesale prices.

Robert Price, owner and founder of Price Club, declined to comment on the practice, saying, "I don't talk to trade papers."

Although Price Club has about 30 outlets in California, only those in the San Diego area currently offer members the option to buy Toyotas, Hondas, Nissans and Fords through dealers.

According to one dealer, however, Price Club is expanding the promotion into Orange County, Calif.

Chevrolets and Cadillacs were offered to members but agreements with the participating dealers were canceled by the company earlier in the year.

Automotive News discussed the system with the four dealers now associated with the Price Club. They offered mixed reactions to the program. One of the dealers said he is unhappy with it.

And the fleet manager of a Chevrolet dealership in Chula Vista said Price Club canceled the agreement with his dealership in July, saying its monthly sales were too low.

"Price Club told us other nameplates were outselling us," said John Merriman, fleet manager for South Bay Chevrolet. "They said the Chevy nameplate was no longer important to them."

Merriman said at its peak, the dealership sold about 40 vehicles per month through the system. At its lowest, the dealership moved half that many each month.

"It was very successful for us," said Merriman. "Customers were thrilled to know the numbers and totally shocked to know they could order a car from the factory the way they wanted it."

He said it accelerated the dealership's sales rate on ho selling vehicles like Corvettes and Astro vans, earning more vehicles for the dealership from the manufacturer.

"These were very sophisticated customers

see DISCOUNTER, page 50

Service Index climbs

November rises 12% after October dip

By Arthur Flax
AUTOMOTIVE NEWS STAFF REPORTER

The Automotive News Service Index sprang back strongly in November, following a slight dip in October.

The service and parts business at new-car dealerships rose 12.8 percent above the November 1986 figure.

In October, the Service Index fell 0.7 percent below the year-ago month.

Shop business during the first 11 months of 1987 was up 4.2 percent over the same period in 1986.

Service volume during 1987 had been relatively consistent, month-to-month, but November 1986 was a particularly weak month, hence the exceptional showing of the service index last November, a service representative at a domestic manufacturer noted.

Likewise, dealers and service managers did not report dramatic increases in business during November, but said business had been consistent or improving moderately throughout the year.

A service manager at a Ford dealership in a Midwestern farm state said business increased as a result of improvements in the local economy. He said local manufacturers have started to hire new employees and the farm economy is also looking up. As a result, customers are bringing cars in for repairs that they have been putting off.

A service manager for an Eastern Chevrolet dealership said his slight increase in shop business during November followed a trend for the year.

A Northwestern Dodge-BMW dealer attributed his outlet's service increase to the addition of a new Dodge mechanic.

The addition of one mechanic in a small shop gave the shop significantly more capacity. The dealer said he would have preferred to have hired a technician during the busy summer months.

"Good mechanics are hard to find," he said. "We wanted to find one to satisfy our needs and decided to wait until we found a good one. It's not worth our while to hire a poor mechanic because they don't last long and they make repairs that come back to the shop."

Sales of all parts and accessories led the business indicators in November with an increase of 15.3 percent over November 1986.

Gross profit on all labor, parts and accessory sales rose 15.2 percent over the year-earlier month; shop parts sales (customer paid and warranty) climbed 14.9 percent; repair orders written increased 9.6 percent; and total labor sales (customer paid and warranty) were up 8.9 percent.

Parts and accessories sales to off-premises customers rose 15.6 percent.

Sales of all parts and accessories led the indicators for the first 11 months of 1987 with an increase of 10.1 percent. Gross profit on all labor, parts and accessories sales rose 6.1 percent; shop parts sales climbed 4.5 percent; and total labor sales were up 2.2 percent.

Repair orders written fell 1.7 percent.

Parts and accessories sales to off-premises customers were up 6.3 percent for the first 11 months of 1987 compared with the same period in 1986.

Weekly bonuses hike quality in Chevy shop

By Roy Wirtzfeld
SPECIAL CORRESPONDENT

DULUTH, Minn. — Rathert Chevrolet here has initiated a technician bonus program that is paying off in increased productivity and fewer repair jobs returning to the shop.

Every Friday evening at quitting time, Larry Olson, service manager for Rathert Chevrolet, steps onto the shop floor with 12 envelopes — weekly bonuses for top technicians.

From his weekly productivity report, Olson calls out the top men. Technicians who complete repairs within 115 percent of the time allotted in the shop manual qualify for the bonus. Often among the winners are technicians who beat the time in the shop manual.

The envelopes are drawn in lottery fashion. Inside one envelope is a $100 bill, another contains $75 and another $50. The remaining envelopes contain $5 each. But 12 men may not qualify each week, so there is a chance that the top bonuses will not be won.

The incentive program is about six months old and was the idea of owner Jim Eggebrecht. In addition to productivity, the program encourages technicians to do quality work.

"The emphasis is not just on speed but also on customer satisfaction, for any returning work, of course, will tend to lower that worker's average," Eggebrecht said.

Rathert Chevrolet follows up on every service order by calling the customer to see if the job was done right, he added.

The dealership has recorded an 88 Customer Satisfaction Index rating during the past three months, up three points from its rating for the past 12 months, said Ted Dorenkamp, staff assistant, customer assistance in Chevrolet's Minneapolis branch office.

"An 88 is a high rating. . . . In the upper ranges of CSI, a three-point gain is a lot. It means 88 percent of customers think the dealer is doing a great job," Dorenkamp said.

All dealers in the Minneapolis region have recorded an 87 CSI rating during the past 12 months.

Rathert Chevrolet also keeps monthly productivity records and honors its top worker as "Service Technician of the Month."

The Technician of the Month earns a reserved parking space beside the main entrance to the service shop.

Service customers notice the sign on the parking space. It reminds them that the shop recognizes the achievements of its staff.

A different technician has won the top slot each month, indicating the overall quality of the service department, Olson said.

Warranties continue to change — some up, some down

SHOP TALK

ARTHUR FLAX

How far can car companies go with warranties? This year and last, domestic auto manufacturers and a number of Japanese automakers introduced extended warranties.

Yugo last week upgraded its warranty to include maintenance for the first year or 12,000 miles and added four-year/40,000-mile powertrain protection.

But on 1988 models, Volvo, which had one of the most complete three-year warranties in the industry, rolled back its coverage a bit. Volvo had covered virtually the entire car for three years or unlimited mileage.

The new Volvo warranty is still very good compared to those of other makes, but high-wear items that the company previously replaced under warranty are no longer covered.

For 1988, Volvo will continue to offer bumper-to-bumper coverage for one year/unlimited mileage. However, the three-year/unlimited-mileage warranty will cover only mechanical components. That coverage still includes such items as engine, brakes, steering, suspension, climate control and computerized control units.

Items that are no longer covered include shock absorbers and soft trim (seats, interior and exterior moldings, etc.).

"We provide coverage to protect the owner's investment, but owners must also do their part to protect the investment," said a Volvo spokesman.

Wear items like seats and shocks will last into high mileage if the owner takes care, but that is now the responsibility of the owner, he said.

The Volvo spokesman noted that dealers have seen cars with more than 100,000 miles on the clock that are still under warranty.

Steve Gerkens, service director at Delaware Oldsmobile-Volvo-Saab in Wilmington, Del., said the dealership has performed warranty repairs on three-year-old Volvos with 70,000 and 80,000 miles.

"The Volvo is a good car," he said. "But if you cover it for that long, it runs into money."

Other changes in the Volvo warranty for 1988 include the addition of five-year/unlimited-mileage coverage on seat belts and air bags and a six-month/unlimited-mileage break-in period that includes adjustments and alignments overlooked at time of delivery.

Last year, Porsche also cut back on its warranty. The company eliminated its five-year/50,000-mile powertrain warranty but kept its two-year/unlimited-mileage comprehensive coverage. That warranty is still in effect in 1988.

"One reason we offered a five-year/50,000-mile powertrain warranty was to battle the gray market (cars imported independently). The battle with the gray market was successful," said a spokesperson for Porsche Cars North America.

Goodyear warranty

Car companies aren't the only firms making warranty news. Goodyear has introduced a new radial tire for luxury cars with one of the strongest tire warranties in the industry.

The new Goodyear Double Eagle is a replacement tire aimed at owners of domestic luxury cars. The tire carries a 60,000-mile tread-wear warranty, free tire replacement for the life of the tread for defects in workmanship or material; road hazard and emergency road service coverage; lifetime balancing and alignment checks and tire inspection and rotation.

The new tire will be available in nine sizes, three more than the Double Eagle model it replaces.

Maserati assistance

Maserati Automobiles has introduced a roadside assistance plan that provides up to $75 in emergency towing or roadside assistance in the event of a warranty-related mechanical problem. Such non-warranty problems as flat tires, dead batteries or running out of gas are also covered. The program offers owners a round-the-clock toll-free number to call for help.

All 1987 and 1988 models sold after April 23, 1987, are covered by the Maserati Assistance Program for the first two years or 24,000 miles of Maserati's three-year/36,000-mile limited warranty.

In addition to roadside assistance, the plan provides trip-interruption benefits that include up to $500 in lodging, meals and alternate transportation if a breakdown occurs 150 miles or more from the owner's home.

The program is transferable to a new owner, should the car be sold during the coverage period.

New Goodyear Double Eagle luxury car tire carries one of the longest warranties

Counterfeit seals

CR Industries is distributing a free poster to help mechanics and fleet owners detect counterfeit oil seals. The poster describes identifying features of the company's "Scotseals" and simple tests to determine if seals are counterfeit.

The company will also exchange at no charge seals suspected of being counterfeit.

A first for a Saab deal

Spreens Saab in Hackensack, N.J., became the first U.S. Saab dealership to employ three master technicians.

Technicians Donald Scheibener, Nicholas Muti and John Arnot became master technicians by advancing through three intermediate levels of the Saab training program.

They also qualified by having five years' experience at a Saab dealership, by passing each of Saab's required technical courses and by becoming certified in the eight categories for which the National Institute of Automotive Service Excellence administers tests.

Technician awards

Ford Motor Co. and General Motors master technicians were honored at the National Institute for Automotive Service Excellence (ASE) board meeting in San Diego.

Steve Driza of Joe Rizza Ford in North Riverside, Ill., was honored by as the highest-scoring Ford dealership master automotive technician in the 1987 ASE test series.

Ray Schlecht of Contor's Motors in Neligh, Neb., was honored as the highest-scoring Ford dealership master truck technician.

Robert E. Petrosky, a GM and ASE master technician at Baytown Motors (Pontiac), Baytown, Texas, was honored as the highest-scoring GM technician in the ASE test series.

Alignment aids

Perfect Circle Chassis Parts has introduced six new color-coded shim assortments to align the rear wheels of most front-wheel-drive models from GM, Chrysler, Honda, Volkswagen and Audi.

Trucks flirt with 5 million to set sales record for '87

By Joseph Bohn
AUTOMOTIVE NEWS STAFF REPORTER

Total U.S. truck sales were a shade below 5 million in calendar 1987, with most light, medium and heavy-duty segments scoring solid gains.

Manufacturers retailed a record 4,962,928 trucks last year, up 1.82 percent from the 4,874,070 sold in calendar 1986.

Light-duty truck manufacturers retailed 4,674,593 units, up 1.40 percent from 4,609,785 in 1986.

The 1987 light-duty total includes a revision for Ford, which earlier reported Class 4 Super Duty sales as part of its light-truck total. The 1986 number also includes some figures for Class 1-3 commercial truck retailers like Isuzu Truck.

Medium-duty sales, including Classes 4 to 7, totaled 157,179, up 3.81 percent from 151,414 in 1986, according to the Motor Vehicle Manufacturers Association.

Heavy-duty Class 8 sales of 131,156 were up 16.31 percent from 112,871 in 1986, according to MVMA.

Among the eight major companies in the heavy-duty truck market, seven had sales gains, with Kenworth showing the biggest increase.

Navistar, the Class 8 leader, had sales of 28,914 trucks in that segment, up 9.93 percent from 26,303 the previous year.

Freightliner, the No. 2 Class 8 retailer, also had the second-largest gain, with 23,350 sales, up 33.63 percent from 17,473 in 1986.

Third-place Mack had sales of 18,278, up 5.92 percent from 17,247 a year earlier.

Fourth-place Kenworth, with 14,018 sales, had a 34.05 percent increase over 10,457 retailed in 1986.

Ford just barely edged out Peterbilt for fifth place.

Ford's 12,796 sales were up 13.38 percent over 11,286 the previous year.

Peterbilt's 12,578 sales were up 25.88 percent over 9,992 in calendar 1986.

Seventh-place Volvo, with 10,840 sales, was off 4.59 percent from 11,361 retailed in 1986.

And GMC, which is now officially under Volvo's domain, retailed 7,308 Class 8s in 1987 for a modest 1.09 percent increase over 7,229 in 1986.

December truck sales by manufacturer and segment

		14,000 & LESS GVW CLASS 1-3	14,001-16,000 GVW CLASS 4	16,001-19,500 GVW CLASS 5	19,501-26,000 GVW CLASS 6	26,001-33,000 GVW CLASS 7	33,001 & OVER GVW CLASS 8	TOTAL 1987	TOTAL 1986
CHRYSLER	MO	59,003						59,003	65,184
	YR	708,125						708,125	596,158
JEEP	MO	21,669						21,669	21,946
	YR	208,440						208,440	207,514
TOYOTA	MO	25,003						25,003	35,204
	YR	303,783						303,783	384,150
NISSAN	MO	15,393						15,393	20,375
	YR	216,514						216,514	223,406
MAZDA	MO	8,438						8,438	14,742
	YR	123,699						123,699	157,127
ISUZU	MO	4,856						4,856	9,349
	YR	86,990						86,990	88,720
MITSUBISHI	MO	4,179						4,179	3,772
	YR	51,862						51,862	34,985
SUZUKI	MO	5,092						5,092	6,795
	YR	81,349						81,349	47,732
SUBARU	MO	9						9	354
	YR	1,274						1,274	4,142
RANGE ROVER	MO	381						381	0
	YR	2,586						2,586	0
FORD	MO	111,340	745		485	2,613	864	116,047	122,686
	YR	1,397,725	1,244		9,458	32,002	12,796	1,453,225	1,381,438
FREIGHTLINER	MO						1,952	1,952	1,723
	YR						23,350	23,350	17,473
CHEVROLET	MO	97,773		48	1,258	986	40	100,105	95,496
	YR	1,173,675		244	9,274	8,252	403	1,191,848	1,247,594
GMC	MO	31,614		333	938	1,511	516	34,912	28,630
	YR	311,217		5,679	8,197	20,615	7,308	353,016	345,047
KENWORTH	MO					79	1,292	1,371	1,063
	YR					207	14,018	14,225	10,457
MACK	MO				247	278	1,498	2,023	2,593
	YR				2,499	2,797	18,268	23,564	22,548
MERCEDES	MO				95	195		290	508
	YR				1,516	2,312		3,828	4,016
NAVISTAR	MO		14	37	1,227	2,524	2,672	6,474	5,975
	YR		202	400	11,717	32,072	28,914	73,305	71,022
PETERBILT	MO					100	1,302	1,402	999
	YR					201	12,578	12,779	9,992
VOLVO	MO					157	1,044	1,201	1,394
	YR					1,673	10,840	12,513	12,820
HINO	MO			39	61	122		222	189
	YR			499	496	1,009		2,004	1,038
NISSAN DIESEL	MO			58	25	86		169	162
	YR			571	284	856		1,711	724
ISUZU TRUCK	MO	556	1	18	45	12		634	485
	YR	5,109	1	178	336	42		5,666	4,954
MITSUBISHI FUSO	MO	148			23	71		242	0
	YR	976			205	545		1,726	0
SCANIA	MO						13	13	0
	YR						149	149	0
IVECO TRUCKS	MO	145	52	41	36			274	0
	YR	1,269	682	814	164			2,729	0
WESTERN STAR	MO						136	136	0
	YR						1,436	1,436	0
OTHER DOMESTICS	MO						45	45	58
	YR				136		1,096	1,232	1,012
GRAND TOTAL	MO	385,801	812	574	4,440	8,734	11,374	411,535	439,007
	YR	4,674,593	2,129	8,185	44,282	102,583	131,156	4,962,928	4,874,070
1986 YR to DATE		4,609,785	0	5,905	44,798	100,713	112,871	4,874,070	

Class 1-3 sales data reported by individual manufacturers; Class 4-8 data reported by Motor Vehicle Manufacturers Association.

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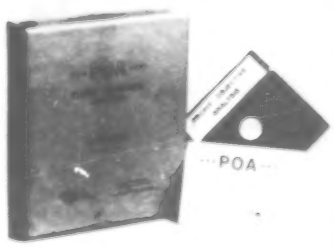

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